IMPERIAL CONFERENCE NUMBER

THE LABOUR MONTHLY

A MAGAZINE OF INTERNATIONAL LABOUR

Editor: R. PALME DUTT

Volume 5 October, 1923 Number 4

PRINCIPAL CONTENTS

Notes of the Month
GERMANY AND OURSELVES

The Imperial Conference
By R. PAGE ARNOT

The British Empire
By R. PALME DUTT

The "Last Reserve" of the Bourgeoisie
By A. THALHEIMER

Immigration and Australian Labour
By E. R. VOIGT

What Next in the Mining Industry?
By D. J. WILLIAMS

Literary Remains of Karl Marx (concluded)
By MAX BEER

Published at
162 BUCKINGHAM PALACE ROAD, LONDON, S.W. 1

PRICE SIXPENCE

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

PUBLICITY ADVERTISEMENTS INSERTED—HOME & ABROAD **TRANSLATING**

Advertising Campaigns Planned
Card Index Experts
Expert Clerks Supplied
Postal Advertising

Technical, Commercial, Legal
Foreign Printing
Interpreting
Foreign Typing

FLOWERDEW & Co.

Stationery
Office Supplies
Labour-Saving Devices

CITY OFFICE
11 POULTRY
CENTRAL 6181

PHONE.
CITY 1136
3 LINES

Office Furnishers and Fitters
Office Systems

TYPE-WRITING
Legal : Technical
General
Press and Medical

227-228 STRAND FACING LAW COURTS **LONDON**
CENTRAL OFFICES FOR EVERY BUSINESS AID

Each Department under Separate Management

REPORTING
Arbitrations
Legal and General
Company Meetings
&c. &c

"THE LIBERATOR"

A Revolutionary Art and Literary Monthly

THE LIBERATOR has combined Art, Letters, and Revolutionary Opinions in an agreeably inspiring form.

SUBSCRIBE AND READ EACH ISSUE

It will keep you informed of the Revolutionary Movement in America

$2.00 per year. Special price with the LABOUR MONTHLY $3.00 the year

Address: "THE LIBERATOR," 799 BROADWAY, NEW YORK CITY

THE COMMUNIST REVIEW 6d.

Editor - - - - - - - - THOMAS BELL

Contains authoritative articles and contributions to current political discussions by prominent Communists of all countries

An essential publication for all who are engaged in political work

For terms to agents, and subscription rates, write BUSINESS MANAGER, 16 King Street, W.C. 2

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE LABOUR MONTHLY

A Magazine of International Labour

VOLUME 5 OCTOBER, 1923 NUMBER 4

Editor: R. PALME DUTT

CONTENTS

Notes of the Month - - - - Page 191
GERMANY AND OURSELVES

The Imperial Conference - - - - „ 196
By R. PAGE ARNOT

The British Empire - - - - „ 206
By R. PALME DUTT

The "Last Reserve" of the Bourgeoisie at Work „ 216
By A. THALHEIMER

Immigration and Australian Labour - - „ 220
By E. R. VOIGT

What Next in the Mining Industry? - - „ 224
By D. J. WILLIAMS

Further Selections from the Literary Remains of Karl Marx - - - - - „ 229
By MAX BEER

The World of Labour - - - - „ 237
International—United States of America—Hungary

Book Reviews - - - - - „ 243
Labour Over the Threshold E.M.H.
How the Worker Lives—in India C.P.D.

Published at
162 Buckingham Palace Road
London
S.W.1

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Labour Monthly

Editorial and Publishing Offices:
162 BUCKINGHAM PALACE RD., S.W.1
Telephone: VICTORIA 9193.

¶ The Editor of *The Labour Monthly* invites contributions. He cannot, however, be held responsible for MSS. sent to him, or undertake to enter into correspondence regarding rejected contributions, although every endeavour will be made to return the same when a stamped and addressed envelope for that purpose is enclosed.

Subscription Rates:
[PAID IN ADVANCE]

One year - 8/- Six months - 4/-

Subscribers are asked to note that unless notification of changes of address reach us by first post on the 18th of the month the next month's issue will be sent to the old address.

United States of America Subscription Representative:—Philip Novick, 192 Broadway, Room 15, New York City, N.Y., U.S.A.

Advertising Rates:

Ordinary (unspecified) position, £5 5s. per page, and *pro rata.*

Special position (facing matter), £7 7s. Cover, £8 8s. Small advertisements on last page of text, £1 1s. per inch. Discount for series.

Volume IV (January to June, 1923) can be supplied for 7s. 6d. post free, or these numbers can be bound and returned post free for 4s. 6d.

Cases can be supplied for 3s. 6d. post free.

Title Page for Volume IV can be had on application if 1½d. for postage is sent.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

NOTES of the MONTH

The Two Camps in Germany—The Setting and the Picture—Counter-Revolutionary Preparation—The Choice for Europe—Can the German Workers Win?—An Even Balance—The Condition of Success—Do We Stand with Curzon?—Isolation to be Broken

A PIECE of news from Germany of interest to LABOUR MONTHLY readers illustrates the direction of events: our friend and contributor, Max Beer, the last of whose series of unpublished passages of Marx's writings we print this month, tells us that he has joined the Communist Party. This stray evidence of the wholesale streaming into the Party that is taking place (rumour has it that a special staff has had to be established to receive the daily flood of new adhesions) affords a glimpse of the alignment that the crisis is compelling, when the reserved and detached Socialist scholar and historian feels the time has come to step down from his books and take his stand in the ranks of action, and that there is only one camp for every honest man and socialist to meet the Fascist menace—the Communist Party. It is no longer the individual case that is of interest: it is the clear resolution of social forms in the face of the compulsion of events; the disappearance of the hesitating centre, whose passing from the field of socialist theory and discussion we commented on a year ago, translated now into practical action; the definite confronting of the issue of Communism or Fascism which is now facing Central Europe and will shortly face all Europe and eventually Britain.

ALL that is happening in Europe only goes to throw into relief the central situation. The sabre-rattling of Poincaré and Foch are as pigmy a spectacle as the antics of Ludendorff and Hoffmann in 1918 before the social forces they were unloosing. The alarums and excursions of Italy and Spain and the Balkans are manifestly the symptoms of disturbance and not the disturbance itself. Even the Anglo-French crisis, which overshadows every issue and translates it into terms of itself, is only the

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

division of the imperialist camps as in the war, which by their division release the forces of their eventual conqueror, but close up against these at once when released.

THE central fact of the whole political situation is that the world struggle between the working class and capital, let loose by the war of 1914, is entering on its second stage, and that the second and decisive battle of the revolution is preparing in Germany. Against this the forces of counter-revolution are marshalling all over Europe, seizing points of vantage with sudden, sharp, decisive strokes, in Italy, in Greece, in Bulgaria, in Spain, perhaps next in Czecho-Slovakia or in Bavaria itself. Against this background of gathering storm the isolated military and national ambitions of Italy, of Bulgaria, of Jugo-Slavia, of Spain see their chance of realisation unmolested by hasty pirate strokes amid the general confusion. Against this expected issue the near-sighted greed and calculation of French imperialism reckon the gains to be made from the confusion and the ultimate military domination to be attained. Against this menace to its own prospects British policy wrings its hands helplessly, defeated in Italy and the Balkans, defeated in the Near East, defeated in the Ruhr, and follows in practice at the heels of France.

IN all this welter of confusion the one certain point and hope for the future is if the workers win in Germany, and the union of working-class Germany and working-class Russia can form the rallying basis of social order and cohesion for the settlement of Europe. On no other basis can the present destructive conflicts and reckless rivalries be solved; in no other direction is there any conscious, creative, constructive force at work, equal to meeting and answering the problems of to-day.

CAN the German workers win ? The immediate odds are still heavily against them. They are without arms. They are weakened by years of suffering and underfeeding during the war and after the war. Against them the Fascists are well supplied with arms and funds and are powerfully organised. Still more serious, the workers are weakened by division through the Social

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Democratic leaders taking service with the big capitalists in the Grand Coalition and busily performing the preparatory work of Fascism by suppressing the Workers' Councils, working-class journals, &c. Although the Social Democratic rank and file are showing signs of dealing with this, it is doubtful whether their will can express itself rapidly enough through the official machinery. It is thus certain that the working class will not be concerned to provoke a struggle.

NEVERTHELESS, when the struggle comes—as every sign indicates to be likely to follow on the outcome of the Ruhr occupation, whether that outcome be surrender or collapse—there are elements in the situation favourable to the German workers. They have shown themselves able in their overthrow of the Cuno Government to act as a united force under the leadership of the Workers' Councils and the Communist Party. The very collapse and hopelessness of the existing situation and all bourgeois policy incline whole sections of the population to rally to them as the only hope. The lower ranks of Fascism are susceptible to Communist propaganda, which by its direct appeal to concrete issues and its exposure of class divisions has clearly had some effect. The German workers, it may be said, are readier in many ways than any workers have ever been in any country for the approaching struggle: but the struggle itself is more menacing and formidable than any that has faced the working class since the battle of the Russian workers against world-capitalism on twenty-two fronts.

IN this situation the whole outcome depends, as it did in the Russian case, on one condition—the action of the workers in other countries. The fate of the German revolution will not be determined in Germany: it will be determined in Europe. Germany is ringed round—in Poland, in Czecho-Slovakia, in France, and close at hand in Hungary and Italy—by White armies waiting to give succour to their Fascist friends. The German coasts are at the mercy of the British navy. It will rest with the workers of these countries to determine whether the German workers are to be crushed by military intervention or indirect subvention and handed over to the mercy of the Fascists, or whether

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the workers of the other countries will stand solidly by them to the full extent of their power and resources. Everything depends above all on the British, French, and Czech workers. Will they be able to rise to the situation? Let it be remembered that there will be no long protracted period this time, as in the Russian example, for gradual awakening. The conditions are wholly different: the nerves of European politics are now all attuned to the revolutionary issue, and in an industrial country like Germany the decisive period will be short and sharp.

THEREFORE it is at this moment terrible and tragic that British Labour policy is buried in old issues of the revision of the Treaty and the rest, and deaf and blind to the living issue here and now. At this moment of all moments, when the working-class issue is everything and the national alignment is meaningless in comparison, British Labour policy is engaged in proclaiming its national solidarity in foreign policy with a Tory Cabinet, because its Prime Minister has used some phrases of international nomenclature which the Labour Party once used. At a moment when the sword of Fascism is hanging over the necks of the working class of Europe, the Labour Party is openly proclaiming its unity with Curzon, the direct advocate and supporter of every Fascist movement. These statements are not exaggerations, but the actual statements of responsible Labour organs.

> Foreign policy [declares the *New Statesman*] is for the time being incomparably the most important sphere of governmental activity, and within that sphere there are no definite party differences. Lord Curzon and Mr. Jack Jones are substantially of the same opinion—which is the opinion of all England.

And the *Labour Press Service* declares:—

> The *Spectator* is an influential and reputable Conservative review: but the words which it uses express the sentiments of the Labour Party and indeed of the whole nation.

This at the moment when the sharpest dividing issue since the Russian Revolution is facing the working class and the bourgeoisie. "There are no definite party differences." "Lord Curzon and Mr. Jack Jones are substantially of the same opinion." Is this the expression of British working-class feeling to go out to encourage the workers of the Continent? If it is not, then the speediest

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

measures need to be taken by every active element of the working-class movement to remedy them: for at present these are the expressions that are going out, and every word is a stab in the back for the German workers and a direct incitement to Fascism.

TO anyone attempting to survey the international working-class situation to-day the British movement presents a disquieting spectacle of self-absorbed isolation and blindness to actual issues. The dramatic appeal and warning of Fimmen at the Trades Union Congress was not a personal episode: it was the impact of the international movement upon the closed national consciousness of the British movement. In the light of the international crisis the public political expression of the British Labour movement during the past month took two forms—the Summer Schools, which broke out in such abundance, and the Plymouth Trades Union Congress. It is only necessary to consider these against the background of the European situation to get a sense of the position. The Summer Schools were happily engaged in mapping out beautiful charts and diagrams of how a Labour Government would administer everything in detail without injuring anybody. This occupation was considered to be a way of being "practical." The Plymouth Trades Union Congress needs no comment. Last year we analysed with care the contribution of every leader to the Congress in order to illustrate the character of the proceedings. This year it is unnecessary: the comment is universal, and the old leaders by an exhibition they must very much regret have given the order for their own funeral. The new movement is bound to arise and to replace the old leadership; and though it will not at first be very much more clear or positive, it will mark at any rate the beginning of serious politics in the British Labour Movement. But in the meantime the German situation is here now, as the unemployed situation is here now; and it is urgently necessary for every available force in the working-class movement to rally on these at once.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE IMPERIAL CONFERENCE

By R. PAGE ARNOT

THE forthcoming Imperial Conference has been very little talked about. To the Economic Conference which takes place at the same time a considerable amount of attention and space in the press has been allotted. But the Imperial Conference itself has been kept in the background. The press has been studiously vague about it. No politician has heralded its arrival with eloquent orations. As far back as April last the Prime Minister expressly deprecated any discussion in the House of Commons on this subject. One result of this reticence is that the workers are in almost complete ignorance of the significance of this conference or of the issues it will raise. On the other hand every effort is being made to interest the public in the Wembley Empire Exhibition next spring. It is quite safe and even useful that their thoughts should be concentrated in that direction.

This reticence is not without good reason. It is felt that while the power and the majesty and the vast resources of the British Empire should be prominently impressed on everyone's mind, it is distinctly dangerous that any of the conflicting policies of that Empire should be publicly discussed. Thus, just that very moment when Labour is being reminded of its heavy responsibilities as regards the Empire and foreign affairs is chosen to hide the actual politics of the Empire and prevent the worker from getting any real idea of that for which he is said to be responsible. Labour is told that it has a responsibility. The nature of that responsibility is not revealed to it, nor the fact that a most precarious position has been reached in the Empire's internal politics. In point of fact the thing that Labour is not allowed to know is that the British Empire is faced with certain dissolution.

The Central Government has no longer any political hold over the Dominions. The attempt to gain such a hold by building up from periodical Imperial Conferences to a permanent imperial machinery of government has proved a failure. The experiment

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

dates back for nearly forty years, but it is in the last twelve years that the experiment was rapidly brought to the testing point. The test failed. The experience of the colonial conferences of 1887 and 1897 was followed by the South African War, when for the first time colonial troops fought along with the regular army. The idea of a closer concentration of power had already begun, and sufficient ground had been covered at the colonial conference of 1902 to transform it on the next occasion into the Imperial Conference presided over not by the Colonial Secretary but by the Prime Minister. This was in 1907. Things had moved much further when Mr. Asquith presided at the Imperial Conference of 1911. The war with Germany was now imminent. The Agadir incident had just occurred. The outlines of foreign policy, the issues of war and peace, were explained to the Dominion representatives. But at that time Mr. Asquith could definitely refuse the Dominions any voice in, any control of, imperial policy.

The war produced a new situation. The Dominion Premiers were constantly in London from 1915 onwards, and in 1917 with the Imperial Conference of that year the movement reached a climax. During that year the Dominion Premiers had formed part of the War Cabinet, and the gigantic problems of the war were subject to an Empire directorate. The whole Empire was for the time being under one political control.

Two or three years before the war, an anonymous group had been formed in various centres throughout Britain and the Dominions for the purpose of working out schemes for a Federation of the British Empire under unitary control. After a little time this group started the publication of the *Round Table*, as a review of the politics of the British Empire. Though mainly drawn from governing class circles, the Round Table group had at first comparatively little influence and their propaganda took little root. Politicians paid no heed to them and continued the simple propaganda of sentiment and flag-wagging. The war proved the best propagandist of the Round Table group. It revealed suddenly to the soldiers and politicians the political and military weakness of their rule. The war did more than propaganda. It actually provided, as we have said above, an Empire directorate. Accordingly in 1917, in the emotions of the Imperial Conference, the idea of

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Empire Federation began to take concrete shape. Mr. Lloyd George and his colleagues began to see visions of the British Empire becoming a self-contained unitary State. The dream of Empire got hold on them.

The end of the war brought as sudden a change; and the years that follow are the story of the fading of their dream. Not that they were aware of this immediately. Plans began to be laid for alterations in the constitution of the Empire. It was all in vain. At the Imperial Conference of 1921 they received a rude shock; the Dominion Premiers refused absolutely to allow the proposed constitutional conference (generated in the enthusiasms of 1917) to be held at all. Signs had not been wanting of this development. The Dominions had been separate signatories to the Versailles Treaty. They also signed the Two-power Pact by which Britain and America were to have guaranteed military support to France. But to the signatories of this Pact there was one notable exception. Canada refused to sign. This meant that in the event of a war arising from this Pact Canada intended to remain neutral. Now, it would not have been possible for Canada to maintain a position of neutrality and at the same time continue her allegiance to the British Crown. Neutrality meant secession from the British Empire.

Since the Imperial Conference of 1921, these significant signs of break-up had multiplied. The tour round the Dominions of Admiral Jellicoe to co-ordinate Empire defence was met everywhere with coolness and in some cases with openly expressed hostility. This was less so in the case of Australia. Australia is still "loyal," but that is because of the intense need of a supply of capital from Great Britain. The speeches of General Smuts cabled over the wire (it is only General Smuts' speeches that are cabled in any fullness) showed that he was continually trying to persuade his reluctant audiences that South Africa should remain within the Empire. Mr. Lloyd George's famous Chanak telegram urging the Dominions to prepare for a war with Turkey was greeted with resentment in the Dominion Parliaments.[1] Finally, in the spring of this year, the refusal of

[1] For this, and the Halibut treaty, and also the economic penetration of the U.S.A. into Canada, see Mr. H. P. Rathbone's articles in the LABOUR MONTHLY in June and July of this year.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Canada to allow the British Ambassador at Washington to sign the Halibut Fishery Treaty between Canada and the United States was treated both in Canadian and American journals as a great point gained in slackening what little Empire control remained in the hands of Whitehall.

The vision of a seated Britannia with all her daughter nations growing about her, growing bulkier every year, has proved to be Mr. Kipling's dream. It was a pretty picture only, embodying the old folks' idea of what family life should be. It has no relation to realities, at any rate in the second decade of the twentieth century. Even Joseph Chamberlain, who might have been the Bismarck of the British Empire, came half a century too late. The dream of a white Empire is gone for ever. The cold realities are showing themselves more and more clearly: and the Dominions of the twentieth century are seen to be going their own way as did the American colonies 150 years ago.

A different, but equally serious, indeed, far more serious, problem faced them—how to allay the growing consciousness and unrest of the four hundred million human beings who were usually lumped together as "the coloured races of the Empire." Again the war had made a profound change. Policies that had previously been discussed in a dilettante fashion suddenly became a pressing necessity. If the system of exploitation was to be maintained over these four hundred millions, a quarter of the population of the whole earth, it was necessary to find within each subject race some class or section which in return for special privileges would be ready to support the continuance of British rule. In effect this meant an alliance with the native bourgeoisie wherever that bourgeoisie was sufficiently developed. Accordingly, in 1917 the promise was made to India for a measure of self-government; and by the Montagu-Chelmsford Scheme the promise was made into a reality for a small section of the peoples of Hindustan. The Indian bourgeoisie were taken into partnership, and it was proudly said that India had started on the road to self-government. To Egypt, to Palestine, to the Mandatory States of Mesopotamia and Greater Arabia the same principle was applied. Even the bourgeoisie of little Malta, after the post-war disturbances, received self-govern-

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ment in non-military matters. Throughout the Crown Colonies and Protectorates, which remained formally as well as actually under the despotism, advisory councils were set up, on which again certain sections of the native inhabitants were represented. The pæans over the liberty enjoyed under the British Empire for all its subject races rose higher than ever.

Unfortunately, these measures will only afford temporary relief. The same processes that called into being a more or less developed native bourgeoisie with growing nationalist consciousness are developing a consciousness of oppression and exploitation amongst the native proletariat and the masses of peasants, nor can *their* discontent be allayed in the same manner. For them there is no way out but a complete end to the system of exploitation.

Throughout the whole of the Crown Colonies and in all dominions except Australia and Canada, Empire is maintained on a basis of coloured labour. It is significant that when the schemes of emigration were being discussed that resulted in the Empire Settlement Act of 1923, South Africa made it clear that they had no use for further white labour and could not therefore be a party to the emigration schemes. There is thus being prepared for the future the most embittered form of human strife—a class war which is also a racial revolt. Nothing can stop this, certainly not the granting of privileges to limited sections of the native populations; the black labour empire is a contradiction for which they can find no solution save dissolution.

For an example it has not been necessary to wait for the results of historic development. The social developments that follow in the train of world capitalism are fearfully rapid nowadays. In 1921 at the Imperial Conference it was found necessary, as a concommitant of the Montagu-Chelmsford scheme, for the Indians to be given the assurance of an equal status in the Empire. For two years since then there has been in Kenya a strife at times rising to civil conflict between the white settlers and the immigrant Indian traders. The Colonial Office has been forced to withdraw its proposal of a constitution: it has weighted the balance in favour of the white settlers, and now even tame Indians like the Hon. Srinivasa Sastri are complaining that if this sort of thing happens it becomes impossible for them to keep the Empire together. This case of Kenya

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

land, on which there was so little discussion in the public Press, is of the same order of historic importance as the attempt of Lord North to impose taxes on the American colonists. The expedients of the British bourgeoisie to maintain their political domination over coloured labour are doomed to failure no less surely than their dream of white empire.

It is under these inauspicious conditions that the Imperial Conference of October, 1923, assembles. Much could be written to show in what spirit, as expressed in their farewell speeches, the Dominion Ministers are sailing to London. But a more concise estimate of the situation is provided by the June and September issues of the *Round Table*. For the Knights of the Round Table the time of great expectations is past: and their sombre outlook confirms the contentions of this article. They point out that the Dominions will refuse to be committed to any foreign policy that may involve them deeply in European affairs: and their melancholy conclusion amounts to this, that Great Britain must have no committal European policy at all. Their own proposals for political solidification of an Empire are few and tentative. (They propose that the Dominions should have accredited anbassadors in London.) Whether their proposals are entertained or not (the latter is more likely) they make no practical difference. Alike in European affairs and in the internal politics of the Empire, their carefully considered suggestions to Downing Street amount to a policy of drift—until the next war, when drift must pass into dissolution. There is only one parallel to their tone of hesitation. That parallel is found in the timid attitude of the Austro-Hungarian statesmen before the Dual Monarchy collapsed. If then it is realised in governing-class circles that the British Empire politically has become as ramshackle a State as the dominions that owed allegiance to the House of Habsburg, to what means will they turn? The answer is clear. The way of salvation for the British Empire is to be sought in economic arrangements ; and it is these arrangements that will be the subjects of the separate Economic Conference.

The agenda of the Imperial Economic Conference will include :—

(1) Fuller development of natural resources.

(2) Discussion of preference tariffs.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

(3) Shipping and communications.
(4) Emigration.
(5) Sundry subjects such as technical research, unification of trade practices, &c.

Preferences which are already mutually granted between this country and the Dominions on a few customs duties will not be much further developed. On the foodstuffs from the Dominions there will be no preference duties. The British bourgeoisie dare not raise the price of their own manufactured goods which would follow from the dearer cost of labour that would result from dearer bread. Nor can they risk retaliation from their present customers, either against their manufactured goods, still less against the one British raw material export—coal. Clearly on the side of Great Britain alone there is little or nothing doing in the way of preference.

To relieve the present burden of unemployment an attempt will be made to speed up emigration schemes, but the poverty of outlook is well displayed by the trifling sum—three million pounds—allotted for this purpose under the Empire Settlement Act. The quality of capitalist statesmanship is even better shown by the following passage from a pronouncement this spring by the First Lord of the Admiralty, in which he relates how he secured a re-christening of the Government Emigration Committee:—

> The word "emigration" was, I felt, unsuitable, both because of its associations with old unsatisfactory conditions, and because it conveyed suggestions of expatriation, loss of citizenship and severance of home ties, altogether inappropriate in the case of those who simply changed their domicile in order to settle in some other part of the same Commonwealth. The Committee and Office were accordingly re-named Oversea Settlement Committee and Office, and the words "emigration" and "emigrant" have since then been confined, in official usage, at any rate, to emigration to foreign countries, and have been replaced, where the Empire is concerned, by "migration" and "migrant," when the matter under discussion is the actual passage, and "Oversea" or "Empire Settlement" and "settler," where the aspect under consideration is the future of our fellow citizens in their new homes.

We may omit the other subjects of discussion as less important and come to the development of natural resources. Here it is gravely necessary for the British bourgeoisie to find more of their raw materials within the Empire, particularly in the case of those

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

that have come from the United States. Our exports to the United States in the past just about balanced our imports from them, and of these one of the largest was raw cotton. Now the British bourgeoisie have to send to America, not only the payment for raw cotton, but also the annual debt tribute. Our exports will not be able to bear this double burden, and the £ will continue to sink in relation to the dollar unless Empire cotton takes the place of the American article. But cotton is only one thing out of many. The Dominions and Colonies, in their wide extent and diverse climates, are rich in every sort of raw material. It only requires the sinking of British capital to make these many countries fructify and bear fruit a hundredfold. Therefore this export of capital to the Colonies is the real meaning of the phrase "development of Empire resources"; and efforts in this direction will be made at the Conference.

A bold scheme of capitalist reconstruction would declare for an Empire Zollverein—or Customs Union—the essence of which would be free trade within the Empire. This Empire free trade would only have a meaning if it built up an industrial system by which the Dominions remained in the position of primary producers furnishing foodstuffs and raw materials in exchange for manufactured goods. This or something like this is the scheme put forward by the *Round Table*. That the Dominions will accept it or even look at it there is not the slightest likelihood. You cannot restrict Australia or Canada to primary production; their career as manufacturing countries has already begun. South Africa, since the war, is beginning to demand that a market shall be found in England for *her manufactured goods*. Indian cotton mills, enjoying a protected tariff, are sapping the life of Lancashire. The new Tariff Board in India is now discussing protection for the Indian steel industry, and the demand is for a tariff of 33⅓ per cent. against English steel. This means that the dream of the Empire as a self-contained economic whole is also doomed to fail: and every attempt to make it a reality by feverish exports of capital merely shatters the fabric of the dream. The development of Empire resources may proceed apace; capital will be exported from this country to aid that development; but the capital investments will not only be—or even mainly—in primary producers' industries. The capital exported from

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Britain will be used to build up in the Empire the manufacturing centres that will soon be free from even a shadow of dependence on British manufactures. If London will not float the loans and capital issues, New York will. Therefore the very steps that are being now taken to bind together the Empire will result in its final disintegration as an economic unit.

Political reconstruction has failed as regards the Dominions. It will equally fail as regards the Empire over coloured labour. A full system of Empire preference they dare not attempt, still less a scheme for Empire free trade. The control of the Government, of the City, over the Empire is reduced to money lending, the same sort of control as the great financial firms like Rothschild, or Baring Brothers, or Schroeder exercise over a South American or Balkan State. And it is just this exercise of money lending that will inevitably loosen and defeat all other bonds, and finally its own.

The sign that our ruling class partially realise the difficulties that encompass them is the changed way in which the Empire is spoken of. Only our grown-up public school boys continue to talk in the old flamboyant manner. The statesmen and big industrialists are more cautious. As may be gathered from Mr. Amery's remarks quoted above, they place much virtue in a change of name. Accordingly the phrase "the Britannic Commonwealth of Nations" was much in favour at the Imperial Conference of 1921, while the sub-title of the *Round Table* now runs "a review of the politics of the British Commonwealth." Similarly, the objects of the Empire are now publicly represented as being cleansed from any taint of domination.

At the 1921 Conference, Mr. Lloyd George, making, as it were, the best of a bad job, said of the British Empire :—

> It is based not on force but on goodwill and a common understanding. Liberty is its binding principle. Where that principle has not hitherto been applied it is gradually being introduced into the structure.

Again, the *Round Table*, in its most considered statement on the approaching Imperial Conference, begins as follows:—

> The British Commonwealth exists not for purposes of conquest, or exploitation, or power, but in order to secure peace and freedom, and the right to work out their salvation for themselves to all the peoples and races within it.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

No doubt they mean what they say. But their meaning and their change of tone has been determined by the change of circumstance.

What is to be the policy of the Labour Party towards the British Empire? In the past the instinct of the working-class movement was sure. Labour interfered in Empire affairs only to take the part of the oppressed nationalities and subject native races. It looked forward to their emancipation and the break-up of the whole system of exploitation. But of late years there has been a change of attitude, if not amongst the masses of workers, at any rate amongst the leaders. An example of the change was the Labour Party Executive's condemnation of the tactics of the Indian nationalist movement. Perhaps the change can be best shown by a quotation from Mr. Snowden's new booklet, "If Labour Rules." Mr. Snowden says:—

> So long as a spirit of Imperialism dominates the Great Powers, the withdrawal of British government from dependencies like India and the Crown Colonies will not leave these dependencies in the possession of self-government, but will leave them a prey to the predatory designs of other Powers.
>
> The policy of a Labour Government towards the dependencies of the British Empire will be to ensure the populations humane and just government; to secure for them the enjoyment of their own property; freedom and liberty to develop their own culture; to freely confer upon them powers of self-government as rapidly as they are educated to use them—and, in short, to pursue unremittingly the policy of qualifying these dependencies to become self-governing Dominions.

There is really, as far as words go, not very much to choose between this and the quotations I have given above. It is in exactly the same tone as the honeyed accents of capitalist statesmen bent on reconciling the Dominions and Dependencies to a continuance of "the Britannic Commonwealth." It may be it is wise to soothe the apprehensions of the governing class, anxious already on its own account and doubly anxious with the approach of a Labour Government. But it is no policy for the working class. At the very moment when it has become clear that the Empire is no longer a developing but a disintegrating economic unit, Mr. Snowden, blind to these facts, suggests that Labour should moralise the Empire and hold it together. If this policy is adopted by other leaders, it will simply involve the Labour Party in the inevitable breakdown of the capitalist schemes for Empire reconstruction.

o

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE BRITISH EMPIRE

By R. PALME DUTT

THE propaganda of the Empire as a cult for popular consumption has been assiduously cultivated in this country, but has never taken root.

The real basis of the Empire is not the artificial cult of Empire Days, Kipling, the King-Emperor, &c., but a severely material basis woven into the lives of everyone and holding them by ties not always seen.

As a result our counter-propaganda has commonly missed the mark. It has made the mistake of fighting the Empire as an idea, by attacking or ridiculing " Empire-mongers " or " imperialism," or occasionally arousing sentiment over especially atrocious samples of British rule.

The result is no real opposition to the Empire, but only a sentimental tradition of opposition, which is not really understood and is therefore never translated into anything positive and is rapidly discarded as old-fashioned prejudice by Labour politicians when they rise to be taken in by the governing class.

We need to change this by attacking the real material basis of the Empire, by laying bare its results in working-class division and corruption, racial separation, tyranny and militarism, and the destruction of working-class internationalism, by making clear the inevitable break-up and destruction of its material structure, by exposing the new plans of the Imperialists as an attempt to arrest this decay and cut off the British workers from the tide of the world-revolution in a prison house under conditions of artificial isolation bound to bring great suffering on the working class, and by showing the way to counter this effectively in attacking the system at its weakest spot, and changing from the position of a White Labour aristocracy having Utopian " sympathies " with other sections to the leaders of a working-class revolt of all the exploited and subject forces against the real seat of power of British capitalism.

This transformation of British Labour politics can only take place as the result of a very patient and widespread explanation of

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the real position of the British working class, of the plans of the Imperialists, and of the future prospects awaiting the workers. Socialist propaganda in this country is still almost exclusively national in character (" Britain for the British ") with an added dose of " internationalism " as a kind of preventive against war, and is thus wholly unsuited to modern conditions.

While actual post-war experience is changing and is bound to change this outlook, the expression of this change in programme and policy is still to come. The Empire is still the unspoken premise of all British Labour and trade union politics. Modern capitalism as a conflict of world systems, the displacement of white labour by Asiatic and African, the shifting of the basis of world capitalism and the de-nationalisation of capital, all these fall outside the prim suburban photo-frame of " Labour and the New Social Order."

What is the British Empire ? Why has this collection of miscellaneous and unassociated territories, states, populations, and economic systems, scattered and sprawling over every quarter of the globe, come into being as a single political system dominated from this island ?

According to the *Daily Herald*, quoting Seeley, it all began " in a fit of absence of mind." The great colonial wars of the eighteenth century were not fought for the sake of the colonies; on the contrary, they were fought because of the quarrels of diplomatists and kings and other habits of the bad old past, and the colonies were an accidental result.

> *Because* the French were in Canada and could be attacked there when we were at war with them, we acquired half of the Continent of North America. *Because* the Dutch were in South Africa when we broke up their sea power we established ourselves at the Cape, whence we have spread far northward.
>
> It was *only when* we found ourselves in occupation of vast expanses of territory in all parts of the world that we developed what psycho-analysts would call the " Imperialist complex."—*Daily Herald*, *August* 13, 1923.

This quotation is worth noting as a good example of current Labour expression on the Empire. Its servile repetition of imperialist elementary school history, which not even any bourgeois historian of standing would take seriously, is a striking illustration of the political irresponsibility and easy swallowing of capitalist claptrap that follows from a non-Marxian outlook. The practical conse-

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

quence is that the Empire is blissfully accepted; all that is attacked is a mysterious state of mind called " the Imperialist complex " existing as a bee in the bonnet of certain professors and others who call out for a higher birth rate, larger armies and navies, &c. "Imperialism," declares the sapient leader-writer, " seems to be a kind of lunacy." The " British people," however, intend to have nothing to do with it: they " will not be treated as pawns for crazy Imperialists."

The windmill " Imperialism " having been thus successfully disposed of, the British Empire is of course cheerfully accepted. As John Scurr declared at the I.L.P. Summer School, speaking as hypothetical Labour Minister for the Empire:—

> The organised worker was apt to assume Imperialism was wrong. [Foolish organised worker!] We might be opposed to Imperialism, but *we must admit the Empire was a concrete fact*, whose existence carried with it duties and responsibilities that Labour would be cowardly to ignore.

It is this kind of deliberate Imperialist cant, consciously contrary to all direct working-class interests and politics, that we have got to expose, smash, and exterminate from the movement if the British working class is to recover from the yellow associations that entangle it and enter on a clear direct fight with the forces of capitalism. This can only be done by a constant and tireless statement of the plain facts of the position.

What is the British Empire? The British Empire may be defined as the expansion of the first great capitalist State into the non-capitalist world. This condition explains its scattered and unscientific character. It is not the natural association of some large unit, such as the United States, Russia, or Central Europe. It is as haphazard as the pluckings of the ripest fruit in an orchard by the first invader. Britain was the first State to reach that strength of capitalist economy at home to carry through a successful colonial policy, as against France, Spain, or Holland—that is, the domination of territories all over the world for trade, tribute, and monopolies. The success of this early colonial policy made possible the vast development of British manufactures which established Britain as the classic country of industrial capitalism and so brought it first in the field again for the new imperialism of our day—the imperialism of direct finance-capitalist exploitation which has added the remaining threat to the British Empire.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

What, then, is the British Empire? It is conquered territory added to the estates of the British bourgeoisie for the purpose of larger scale exploitation. It is thus a great plantation of pure capitalist slavery. It has no other link — racial, religious, geographical, or sentimental—save the single link of capitalist exploitation. Therefore it has no future save for and within capitalist exploitation. Capitalist Germany may become Workers' Germany, a living section of the Workers' International. But the capitalist British Empire can become nothing but the capitalist British Empire, since its only liberation is its dissolution.

Around this slave-plantation is endeavoured to be woven the myth of free association in order to conceal its artificial character. So legends of free settlers, pioneers, explorers are made to replace the records of freebooting, piracy, slave-trading, plunder, penal settlements, extermination of natives, &c., which have accompanied the extension of capitalist rule. The British Empire, where seven in eight are subject to autocratic rule, is held up as the palladium of liberty. Even, so great are the concessions which the bourgeoisie are prepared to make in this present hour of difficulty, they are prepared to call the Empire a Commonwealth—a step that has proved highly successful and popular in Labour circles.

What is the "Commonwealth"? The Commonwealth is the association of *garrisons* of the Empire around their masters, the British bourgeoisie—garrisons a little restive and discontented, inclined to bargain increasingly and insist on their rights, sometimes even toying with the thought of starting on their own or (as with Canada) taking service under a new master, but essentially recognising their identity of interests with their masters so long as these have the cash and the power. Into this circle of White garrisons is being also introduced tentatively, and in the face of considerable distrust and prejudice, the representatives of the rising bourgeoisie of India, who, it is hoped, will help to buttress the weakening White garrison in the Indian treasure-house of exploitation.

Because these privileged garrisons consist of both colonial bourgeoisie and white workers, these two elements, however divided between themselves, are at present united against the vast mass of coloured workers and dispossessed races who form the

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

basis of pure exploitation in the Empire. Hence arises the peculiar character of "Dominion Labour," even when most "advanced," in its demands for its own members, its isolation from the international movement, its imperial solidarity, its unity with capitalism in all national issues, its citizen-militarism, its bitter opposition to all outside the privileged ranks, and even readiness (as in South Africa) to blackleg on the coloured workers when these are striking to improve their conditions. It is the garrison outlook, politically termed the Imperial outlook.

This hidden spring of capital-Labour harmony, whose results are so conspicuous in the Dominions, is no less operative among the white workers of the home country, although with less consciousness and open expression owing to the lack of direct confrontation with the non-privileged strata. The British workers are nearer in instinct to a simple working-class outlook of sympathy with all workers, and the contrary imperialist outlook has to be laboriously instilled by their leaders; while the conscious expression of imperialism, the Social Democratic Federation, most closely corresponding in outlook to Dominion Labour, is in Britain a manifestly exotic growth without roots in the movement. Nevertheless the deeper workings of the same principle are no less present, revealing themselves in the weakness of working-class solidarity and easy corruption of sections, the unlimited success of capitalist doping processes of sports, Press, and drink, the facile waves of jingo and anti-alien emotions, and the national isolation and capitalist dependence of the working-class movement. This unity with capitalism, which is at the root of the separation of the British workers from the international working-class movement, is simply the reflection of a material situation that has temporarily placed a section of the world proletariat in a peculiar position. This temporary situation is bound to disappear with the advancing tide of world capitalism and world revolution, and the beginnings of that process are strongly visible. But until then the outlook reflecting that situation is bound to be isolated. The outlook of Dominion Labour and, in its own way, of British Labour is "middle class" in the sense of not realising the necessity of ranging itself either with the international bourgeoisie or with the international proletariat, but regarding itself as holding some peculiar position of immunity or

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

" freedom " and sharing with the bourgeoisie a tutelary guardianship of the " subject," " native," or " non-adult " races. The realisation of the falsity of this position, and that the interests of the white workers are not identical with those of the bourgeoisie, is the first step to their own emancipation.

There are no " free " and " subject " races in the Empire. This is the fundamental fact that cannot be too often proclaimed. There are only jailers and jailed. There are only palace slaves and plantation slaves. And the palace slaves play unconsciously into their masters' hands by looking down upon the plantation slaves as inferior beings, and discuss gravely in their masters' language whether it is " safe " to give to them the " freedom " that they, the palace slaves, enjoy. That is the epitome of the Empire and of the situation of the British workers in the International.

What, then, are the issues that are now facing this system and the workers within it ? Why is the whole form of bourgeois policy now concentrated on the Imperial Conference, and why is every attempt being made to attune Labour expressions to it ? The answer to this question is the key to the future in British Labour policy.

On the structure of the Empire as it was in 1914 the war delivered a tremendous shock. The British bourgeoisie was fighting for its existence. Therefore every element of subjection under them was stimulated by the opportunity of the war into asserting itself and becoming conscious of its strength. " Unrest " became a universal feature of the Empire, from Ireland to India and from the Clyde to the Rand. The separate garrisons took advantage of their indispensability to establish their claims to independent existence, even while recognising their identity of interest for the moment. But deeper than this seeming " constitutional revolution " within the palace came the revelation of the real forces beneath, the seething of the vast masses of exploited and dispossessed on whose backs the Empire is built. The moment the garrisons were weakened by the drainage of the war, revolt broke out on every side.

The eventual victory of the British bourgeoisie in the war, at the cost of placing themselves in the hands of the American bourgeoisie, enabled them to concentrate their attention on overcoming the forces of revolt and rebuilding their shattered structure.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

This was the task of the past four years. By the success of the capitalist offensive at home, by the skilful playing of section against section in the different parts of the Empire, by the conciliation of the upper bourgeoisie in India, Ireland, and elsewhere, by open and even humiliating concessions to the Colonies, and by ruthless suppression of all the revolting exploited elements, this task was accomplished. With 15,000 Republicans jailed in Ireland, with Gandhi jailed in India, with the dead strikers on the Rand and the dead tribesmen on the Bondelswartz, with the treacherous surrender of Black Friday, and the shootings of Amritsar and the bombing of the Mesopotamian villages, order was restored in the Empire.

At length in 1923 the imperialists could turn to reconstruction, and the long-delayed Imperial Conference due to settle all questions after the war could be held. With the Imperial Conference comes the new task to repair somehow the damage done and rebuild a stronger system for the coming trials of external and internal struggle. The Imperial Conference is a conference of imperial reconstruction to make of the dissolving and disintegrating Empire a single closely-knit unit.

It is rapidly clear that this unification cannot be achieved simply in political terms, as was hoped in the days of the war and just after. The disintegration has gone too far for that. The independence and even open defiance on the part of the Colonies, revealed above all in the Chanak crisis and the Canadian-United States Treaty, made even the touching on this ground dangerous, and can only leave the hope that the excitement of war, when the time comes, will enable all to work out for the best.

The only hope of unification now is on economic lines. Such a unification would fit in very well with the existing situation and aims of the British bourgeoisie. The failure of Europe and the competition of America in the Pacific field naturally turn attention to the possibilities of a more economic and self-sufficing organisation of their own domains. In the face of all existing facts the conception of the Empire as an economic unit gains ground, and the increasing prevalence of this artificial and essentially militarist conception strikingly reveals the decaying forces and desperate straits of capitalist production.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

It is unnecessary here to demonstrate the economic weaknesses of this conception. The proportion of Empire trade is roughly one-third of the total of British trade, and has remained practically at the same proportion both before and since the war: nor is there any prospect of altering this radically in a rapid time save by artificial means (subsidies, preference, special credits, &c.) such as would be far too costly for present resources. The only possible basis of unification would be the abandonment by the Colonies to Britain of the most profitable forms of manufacturing production and relegating themselves to primary production—the exact reverse of their present line of development. On the contrary, at present, the most favourable form of British trade with the Colonies is the export of machinery of production—in other words, the weapons of their own undoing. The whole process of capitalist development of the Colonies and India compels that they shall become increasingly every year the rivals and not the colleagues of Britain.

But what matters here is the immediate significance of these proposals for the working class. For there is no question that these proposals will be presented in an attractive light, in the guise of a busy harmony of international exchange and production, offering work and prosperity for all. And the Labour coquettings with the conceptions of the "British Commonwealth of Nations" and all the other baits of progressive imperialism make the success of such a propaganda fatally easy. Therefore it is essential from the earliest moment to set out in the harshest possible outline what these proposals mean in fact.

The new plans of the imperialists mean in brief three things for the working class.

First, they mean what is euphemistically described as "Scientific Distribution of Surplus Population"—or, in other words, compulsory emigration of the proletariat according to the needs of the moment of capital. This proposal can only be accomplished in the most barbarous form of the planting of slave-colonies after the fashion of the eighteenth century, since all voluntary forms are impracticable, as has been abundantly revealed by the failure of the Empire Settlement Act, which in fourteen months of its operation has only been able to spend one-twentieth of the funds

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

with which it was provided and settle 32,000 persons. The fate of the unhappy wanderers, dumped as unwanted from home, has been vividly revealed in the fortunes of the harvesters in Canada and the homeless immigrants in Australia.

Second, the plans of the imperialists mean a system of preference, rebates, special freights, credits, subsidies, guaranteed purchases and prices, or whatever other method and juggling may be adopted to establish in fact a protectionist system of the Empire. The Colonial representatives have all made abundantly clear that on no other basis can business be done. The establishment of such a system, with the inevitable raising of prices and creation of monopolies it will involve, will break down all possibility of the maintenance, far less recovery, of working-class standards, and will grind out a temporary and artificial imperial reconstruction from the unlimited exploitation of the workers. The final and inevitable outcome of such a development, of which signs are already not lacking, would be the establishment of some kind of tariff on food (perhaps in the form of control of foreign purchases and a guaranteed price within the Empire) which would mean the final subjection of the industrial workers.

Third, the establishment of such a system, although under the peaceful and benevolent guise of free trade within the Empire, being in fact an exclusive system of so large a part of the earth's surface *against* the world outside, would inevitably mean the bitter hostility and combination of the world powers outside, and in consequence a period of heavy militarist rivalry leading up to a culminating war which would wipe out every gain that could be accomplished by the intensive economic development of the Empire.

These are the real and practical dangers which the new plans of the imperialists are bringing to the British working class. It is because of these dangers that the easy toying with the Empire and Empire development by Labour politicians (the Tory motion in the House of Commons on Empire development was officially received by the Labour Party with "general support": "They were," declared their spokesman, Mr. A. Short, "interested no less than hon. members opposite in the progress and development of the British Empire") is not an act of sentimental folly, but

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of direct treachery to the most vital interests of the working class.

To fight these dangers will need the most vigorous rallying of every effective force of the working-class movement. It is no good endeavouring to fight them on the old liberal formula of free trade. Free trade is out of date in its old liberal *laisser-faire* sense and has ceased to hold. It held against the new imperialist attack in the decade before the war because it was maintained by the combination of the industrial workers and the older capitalist interests of textiles and shipping. Both these holds are weakening to-day. The Bradford resolution on a tariff has revealed the weakening hold in textiles. The Glasgow revolt against free trade has revealed the weakening hold in Labour. Tariff reform and the Empire is the British form of Fascism, the British form of winning over the workers to capitalist leadership by appearing to offer them some prospect of solid advantage and development.

Against these it is necessary to set a positive alternative, and not the negative grounds of free trade and national self-government. The new tendencies that are showing themselves are a symptom of the fact that the national basis has broken down, and that a wider than national economic organisation is already essential in the present conditions of production. But the Empire is only the extension of all the old nationalist evils on to a larger scale. The only practical alternative now that meets the actual needs of present-day production is the Workers' International, the World Union of Soviet Republics for the world organisation of production.

We have reached a stage when the only alternative to the Empire is the International, and we have got to show that the International is the only alternative to the Empire. We have got to show that the Empire is a slave-compound, leading nowhere, and with destruction and war as its outcome. And we have got to show that the International is the real path of the British workers as of the Colonial workers in the Empire, united in revolt and in the common struggle of mastering the conditions of production, and united with all the other workers of the world in the future reign of free humanity.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE "LAST RESERVE" OF THE BOURGEOISIE AT WORK

By A. THALHEIMER

THE " Great Coalition " in the form of the Stresemann-Hilferding Cabinet has now been on the job for some time. It styles itself the " last reserve " of the bourgeoise, the last constitutional government which Germany can have.

This expression must not be taken too literally. According to the historical experiences of other countries and also according to the present organisation of political forces in Germany, it is necessary to reckon with the possibility, indeed the probability, that while the bourgeois-socialist coalition is the last reserve of bourgeois rule, still other bourgeois-socialist or even " pure socialist " combinations can follow the Stresemann-Hilferding Cabinet.

A comparison with the Russian Kerensky period is very instructive in this respect. The signs of the period of the death-struggle of the Kerensky Republic were precisely these quick changes in the composition of the Cabinet, the hasty alteration of the personnel and the party composition. It would certainly be rash to assume that the German bourgeoisie cannot overcome some of the next revolutionary uprisings by setting up new cabinets or changing the personnel of the existing one. Stresemann and Hilferding may consider themselves the last cards in the hand of the German bourgeoisie, but it will still make half-a-dozen new governmental combinations, will throw overboard its " undesirables " as cumbersome cargo, and will also take on board its leaky vessel the present leaders of the social democratic opposition, Messrs. Paul Levi, Dissmann, Crispien, &c., if it believes that it can thereby keep afloat.

What is still possible in the way of bourgeois-socialist governmental combinations depends entirely upon the tempo in which the now moving popular masses go through the political development which will lead them to a radical break with the bourgeoisie and with bourgeois " democracy."

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The fact that the Cuno administration could be followed by that of Stresemann-Hilferding, the "Great Coalition," proves, above all, that only a minority of the working class is ready as yet to fight for a Workers' and Peasants' Government, although, apparently, the majority of the working class has already had its fill of the "Great Coalition."

The hour for a Workers' and Peasants' Government for the first step to the proletarian dictatorship comes when the overwhelming majority of the working class not only desires a break with the bourgeois coalition, but is also ready to fight for the Workers' and Peasants' Government by the most extreme means.

Secondly, it is necessary that at least a strong section of the petty bourgeoisie be sympathetically neutral. Thirdly, that there be a deep cleft in the great bourgeoisie itself.

Organisationally, the class organs of the proletariat, the factory councils, control committees, and defence units, must already have been widely developed and must have acquired for themselves a commanding authority among the masses.

The organisational positions of reformism must be in an advanced stage of disintegration.

Therefore, politically and organisationally, there is still a good stretch of ground to be covered before the conditions are ripe enough to secure victory for the working class.

How much time is necessary for this only history can decide. That the conditions for the victory of the working class in Germany are rapidly ripening is shown by thousands of facts.

The Stresemann-Hilferding Cabinet embodies the attempt of the middle bourgeoisie, with the help of the reformist party and the trade union bureaucracy, to end the Ruhr struggle and reorganise the resources of the bourgeoisie within the country by imposing some sacrifices upon the great bourgeoisie.

It is self-evident that no government can transform the deep-rooted chaos of Germany into order in a few weeks.

But a few weeks suffice to judge whether the government has its eyes fixed on the right goal, and whether it has the strength to reach it.

In this respect a decisive judgment concerning the Stresemann-Hilferding government can already be delivered.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The first step to be taken is the attempt to extract from the industrialists and bankers a definite fund of foreign bills, in order to support the exchange of the mark and, further, to put the standard of currency on a new basis. It is clear that only complete national confiscation of foreign bills can accomplish this purpose. The government did not dare to take this step, it has limited itself to calling for voluntary donations of securities. The exchange already cold-bloodedly anticipates, not in words, but in dry hard figures, the absolute futility of this proceeding.

A confiscation of foreign bills would certainly run foul of the bureaucratic apparatus of finance and taxation administration, which for a long time since has been objecting to any such action.

The class organs of the workers, the factory councils, and control committees could create a new apparatus, but—to appeal to them would be tantamount to declaring the middle-class State ripe for abolition. This could not be considered by any bourgeois-socialist coalition government. The same hold good for foreign trade and price control. The tax reforms which the government announced with a great fan-fare of trumpets are already as good as dead. The employers replied to the new taxation laws, which are by no means drastic (they are only gold taxes), in two ways :—

First, by transferring the burden to prices, even before the taxes are paid (as a matter of fact, they never will be paid). In most industries the level of the world-market prices has already been exceeded; in the heavy industries, many times over.

Secondly, by the stoppage of production. The so-called factory tax, which is calculated according to the number of employees working in the factory, is the immediate occasion of this step. Further motives behind it are to lower wages and to pauperise the working class generally.

The bourgeoisie as a class thus distinguishes itself from the bourgeoisie as a government.

This signifies practically the preparation for a *coup*, for the dictatorship of the right wing bourgeoisie, under cover of the present government and with its timely co-operation. That is the significance of Gessler's remaining in the government. Gessler is the official connecting link with the Right dictatorship towards which the great bourgeoisie is steering.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The liquidation of the Ruhr conflict is naturally dependent upon the success of the attempt, be it by the bourgeoisie or by the working class, to get the sums necessary to pay Poincaré. The government will never get these sums from the bourgeoisie, and in order to maintain them exclusively from the working class a victorious dictatorship of the right is necessary.

The prospects of the Stresemann-Hilferding government liquidating the Ruhr struggle are therefore not great, although its urgency to have done with the business is certainly very great, and the essence of its foreign policy is the desire to liquidate the Ruhr struggle.

But it is well known that good will or bad will alone accomplish nothing in this wicked world.

Meanwhile real wages have fallen further, inflation has increased, and the currency has further deteriorated. The next wave of the mass movement is already beginning to rise. The "last reserve" of the German bourgeoisie has in these few weeks already crumbled to a marked degree.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

IMMIGRATION AND AUSTRALIAN LABOUR

By E. R. VOIGT

IN considering the immigration policy of the Australian Nationalist Federal and State Governments in general, and that of the N.S.W. Nationalist Government in particular, it is well to recollect that the vigorous anti-immigration policy of the Trade Union movement—stimulated by the arrival of boatloads of immigrants at a time of unprecedented industrial depression—has forced the Australian immigration authorities to abandon their open industrial immigration policy.

To-day the Australian Nationalist Governments have been driven back to a point where they can only seek to justify an immigration policy covering farm workers and domestics.

No doubt the authorities consider themselves safe in directing the stream of immigrants into these channels, for no comprehensive reports are made to, or published by, the Government concerning unemployment in the agricultural and pastoral occupations, while in domestic service so few workers are organised that very few reports concerning unemployment are made to the Department of Labour and Industry.

It should be emphasised that in no State in Australia does there exist any machinery for ascertaining with any degree of precision the extent of unemployment. There is no Federal or State Unemployment Insurance in Australia, and comparatively few unemployed register at the State Labour Exchanges.

The various State Governments compile their statistics of unemployment from returns received periodically from certain of the trade unions. These unions do not comprise more than 25 per cent. of the workers employed in industry. According to the *New South Wales Government Gazette* (Vol. xxxiii, February 28, 1923) in January this year trade union reports in New South Wales covered only 105,993 workers out of a population of 2,129,693 (1921).

It will be seen therefore that the tendency of all Government reports on unemployment is to minimise its extent. This, of course,

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

dovetails in admirably with the tendency of the various State Governments to boost Australian industry, for the first task of every new Australian Premier is to journey home to London for financial assistance. What is more natural than that the bagman should praise his wares?

The demand of the State Immigration Authorities for immigrant farmworkers is discredited by the statistical reports—inadequate as they are—of the various Governments.

A cablegram, dated April 13, 1923, which appeared in the Sydney press referring to Sir George Fuller, Premier of New South Wales, then in London, stated:—

> Sir George declares that unemployment in New South Wales is confined to city workers, and now trifling in extent (!), while there is an abundant demand for farm workers and domestics, who are the only kind of adult emigrants Australia is accepting.—*Sydney Daily Telegraph*, April 16, 1923.

Let us examine this "abundant demand" as expressed in terms of agricultural progress or retrogression.

According to the *Quarterly Statistical Bulletin* of the New South Wales Government (Nos. 183 and 187), the New South Wales estimated wheat harvest 1921-22 and 1922-23 was as follows:—

	Grain Area. Acres.	Grain Production. Bushels.
1921-22	3,169,200	45,280,000
1922-23	2,799,600	29,090,000

This great slump in grain production is due largely, but not wholly, to the great drought which still obtains over the greater portion of the State.

It should be evident, therefore, that with a diminution of acreage of over 10 per cent., and with a crop 35 per cent. less than that of the previous year, there is not enough work to-day for the farm workers employed a year ago.

This decline in wheat production is not confined to New South Wales. The Commonwealth wheat production for the past three years was as follows:—

	Bushels.
1920-21	145,873,850
1921-22	129,088,806
1922-23	108,811,162

(*Quarterly Summary of Australian Statistics, Commonwealth Government Bulletin No.* 90.)

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

It is therefore a cold-blooded criminal act on the part of the Australian Immigration Authorities to attempt to induce large numbers of British workers to emigrate to Australia for the express purpose of farmwork.

Were there a shortage of workers in agriculture in Australia, wages and labour conditions generally would not be so indescribably bad as they are.

Before a large audience in the Sydney Domain last April, Mr. Mahony, M.H.R., proceeded, with the help of statutory declarations and other documentary matter, to prove that engineers and other artisans who had come to the Commonwealth in consequence of literature supplied from Australia House had been forced to accept 15s. and £1 per week on farms because no other work was offering.

The Sydney *Daily Mail* (April 16, 1923), quoting Mr. Mahony, states:—

> When the Commonwealth Government got the immigrants on the ship, its welfare officer submitted an agreement for them to sign. This promised to provide work on the land at 15s. a week for the first four months, and 17s. for the following eighteen months.
>
> In his view, the Federal officer was being made use of by the farmers' organisation for the purpose of obtaining adult labour at sweated rates.
>
> The immigrant had to work six weeks before he received any pay.
>
> One of these men had stated that he had to work from 4.0 a.m. till 8.0 or 8.30 p.m., and the agreement provided that such men had to obey all "lawful and reasonable demands" of the employer.

This is a fair sample of bad conditions that obtain on the land in Australia. Worse could be quoted, for in some cases ex-soldiers have been put on the land and received a pittance of 5s. per week and keep that a convict would consider a hardship. (Warriors Farm, Mulgrave, N.S.W.)

The question that arises is: why do the Nationalist governments of Australia pursue a policy of immigration to the land? In Australia, as in Europe, the direct pressure upon the governments comes from finance and industry.

It will, however, readily be grasped that in view of the diminishing wheat production, the bulk of the immigrants (1) either refuse to go on the land after learning on arrival of the unsatisfactory

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

labour conditions or (2) after securing temporary employment at sweated rates filter back to the towns and industrial centres.

In inducing large numbers of British workers to emigrate to Australia, even for the purpose of going on the land, the Australian Governments are carrying out effectively the demands of the industrial magnates for a still larger surplus of factory labour.

It can well be imagined that with an unemployed pool of—at a low estimate—9.6 per cent. Australian capitalism regards the 14 per cent. pool of its British colleagues with envy, and looks forward to the time when wages will be driven down past the level of that of the British worker to continental coolie standards.

For it must not be forgotten that the geographical isolation of Australia makes immigration difficult and emigration impossible for the average worker. This restriction on the circulation of the Australian workers is further intensified by the isolation of one industrial centre from another by the great arid spaces of the Commonwealth. Let there be no mistake, a 14 per cent. unemployed pool in Australia would place the employers and their Nationalist Parliamentary Executive in a better position to batter down the standard of living of the Australian workers than is the case in Britain to-day.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

WHAT NEXT IN THE MINING INDUSTRY?

By D. J. WILLIAMS

TO present an adequate indictment of the present "agreement" in the mining industry would require many pages. Words can hardly convey a clear idea of the depth of its ravages, both on the standard of life of the miners generally and on the Miners' Federation itself. In many places—in South Wales in particular—its impact has been so severe as seriously to imperil the existence of the Miners' Trade Union.

It did not take the miners long to realise from bitter experience that this agreement was, in fact, no agreement at all. It was as blatant a piece of dictatorship as ever came from the coalowners. Time after time the miners rejected it; eventually the leaders came to the rescue and literally forced it upon their followers. The result was inevitable—a coalfield in bondage. Even from the point of view of what has become classically known as "true" Trades Unionism, the agreement should never have been signed by the leaders.

Its operation is pernicious in the extreme; it gives the miners nothing but a coolie standard, whilst it guarantees to the bondholder, the landowner, and the capitalist all the natural rights of property. Instead of being the first, wages are the last charge on industry. Before the payment of a living wage to the miner comes a whole series of propertied claims on the industry—debentures, royalties, wayleaves, directors' fees, and other costs. The agreement made no provision at all for the war-time developments of the mining industry—the immense amount of over capitalisation that took place as a result of those halcyon days. In many instances the nominal capital was trebled, while, through neglect of repairs and the desire to "make hay while the sun shone," the real capital depreciated. In the terms of the agreement no reference is made to this; yet on the basis of this immense inflation wages and profits stand in the ratio of eighty-three to seventeen. It needs no great stretch of the imagination to realise what the actual ratio is.

The Folkestone Conference has done nothing to alter all this.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

A majority of the delegates were instructed to vote for ending the agreement ; at the last moment one group—the Durham delegates —backed out. (The Council of the Durham Miners' Association, representing all the lodges in that field, has asked the delegates to explain "their traitorous action.") And nothing will be done by the leaders, to whose influence this result was due. The Executive meet the owners again on October 5 to propose "modification" of the agreement. But the result of this meeting will be that of all the other similar meetings—nothing. It is evident that the time is opportune for a consideration of some alternative to the agreement. In this respect the trend of recent opinion amongst the leaders is interesting as revealing their attitude to the future of the workers' struggle. "Respected" opinion seems to reveal two main currents. Amongst one section there appears to be a conviction that the agreement is not bad "in principle"—whatever that may mean—but that it simply wants "reasonable application." The remedy suggested is that the ratio of wages to profits should be altered. Needless to say, this will leave untouched all the vicious features of the present agreement—the sectionalising of the industry, the absence of any control in any shape or form by the miners, the relegation of wages to the last charge on industry, the failure to provide for the unemployed of the industry, and its segregating of the Miners' Federation from the rest of the Labour movement. If the destinies of the miners are to be left to the sweet reasonableness of the coalowners, the present era of semi-feudalism is likely to be continued indefinitely.

Many leaders have expressed their opinion that, as an alternative to the present agreement, the basis of cost of living wages regulation should be resorted to. They point out with what success such a policy obtains amongst other sections of organised labour. It must be admitted that such a plea has a considerable fascination for the miners just now, when their own wages are so far below the cost of living figures. That, however, does not mean to imply that the pursuance of such a policy is the proper course to adopt. Quite the contrary. Every policy to be followed in the trade union movement should be judged from the two-fold standard of (*a*) how far it would encroach upon capitalism and give control to the workers; and (*b*) to what extent it would rally the workers to a united front.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Manifestly the cost of living basis has nothing to offer in this direction; all the factors upon which wages are based are determined and regulated outside the industry. Wages move up and down as if actuated by some mysterious, unknown force. Within the industry a free hand is given to the employers to do as they like. The trade union in this case is on the high road to become a glorified benefit society. This is actually what has occurred in more than one union; and unless the Miners' Federation steer clear of such a course the same fate awaits it.

Much has been said and written recently about the need to reconstruct the Trade Union Movement after the debacle of Black Friday. What course this reconstruction should take has never been made very clear. To some, doubtless, it means nothing more than to herd the members back to break membership records in numerical strength. It should have been made abundantly clear that the failures of Trade Unionism in the past have not been caused by lack of numbers. If that were so the problem would be rendered infinitely easier. The defects of the movement lie deeper. Reconstruction, therefore, merely in order to get members back is not enough: indeed, it is only here that the problem begins. To get the members back and follow the same course which led to Black Friday is surely nothing else than to invite a rehash of that disaster.

Here it will be seen that the problems of the miners are more and more becoming general problems for the whole Trade Union Movement. To get a union back to its war-time strength is not enough. What is needed is a new orientation in Trade Union activities; not so much a mechanical retreading of the old paths, as a courageous endeavour to bring the movement into line with the new realities of a new situation. Industrial action has long ago left the stage when a Trade Union fights for and by itself. Once a Trade Union, be it ever so powerful, decides to grapple seriously with the actual realities of the every-day struggle, it will be found that the issues involved are ever more far-reaching. Up to now there has been no uniform attempt to deal with these issues. True, we have been treated to a number of phrases about the creed of unity and the need for unity. But they remain phrases; they lack "the spirit which giveth life." There is hardly a petty craft union but which makes of such phrases an ornamental stock in trade.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Unity, apart from some definite object of unity, is and can be nothing but a figment. What British Trades Unionism needs to-day above all is some clearly defined objective. The strength for this objective will lead to unity as nothing else can. A unity that is to be more than a formal unity must be based on true issues; it must be seasoned in the storms of struggle. A common solidarity in the face of a common foe will be far more effective in bringing about unity than will be the fiats of a thousand conferences. Unity does not "come to pass"; it is forged on the anvil of conflict. In the working-class movement we do not—as some leaders seem to imagine—set out first to achieve a paper unity and then proceed to fight: it is the common experiences of the fight that lead us on to unity of purpose, programme, and objective.

An examination of the aims of the various sections of the workers' industrial movement to-day will reveal that these aims vary from section to section and from union to union. The object of some is still the elementary one of the rights of combination; others place before them the control of industry. Between these two extremes there is an endless variety of aims.

It is evident that this can never lead to common action, can never give that consciousness of common solidarity so imperatively necessary if the mistakes of the past are not to be repeated. In the past these differences always show themselves at the critical moment —at the time when action is contemplated. It will be the same in the future if the old tactics are persisted in.

However strong the miners, or any other body of workers that have built up their unions as independent bodies, whose connection with other bodies is merely a formal one, they will be still subject to the old limitations. If the miners decide on one objective, another union on another objective, these unions can never successfully pull together. In a time of trial the defect will reveal itself. Professions of a common front will serve only to accentuate the collapse when it comes. The only lasting binding tie for the unions is not a nominal affiliation to the Trades Union Congress, but the common objective of the every-day struggle of the whole organised movement.

There are many issues upon which the whole movement could be rallied. The present demand of the miners to scrap the

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

existing agreement should serve as a starting point for a thorough revisal of the whole policy and programme of the Trade Union Movement. A common wages policy for the whole movement would mean a common front to fight for better wages. This would at once broaden the consciousness of the workers to a sense of their common interests; while the actual pursuance of such a policy would go far towards removing the numerous obstacles that at present obstruct the path to a common understanding.

This, then, should be the next step in the mining industry: to bring pressure on the powers that be to bring the whole movement into line upon the basis of uniformity of programme, policy, and purpose.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

FURTHER SELECTIONS *from the* LITERARY REMAINS OF KARL MARX

Translated and Annotated by MAX BEER

X

THE FOUNDATION OF THE INTERNATIONAL[1]

THE following fragment forms part of a letter written by Marx to his friend Frederick Engels, in Manchester, telling him of the foundation of the International and particularly the drafting of the Inaugural Address and the Rules of the new association. This letter shows at the same time the great importance which Marx attached to any forward movement of organised Labour. Of interest are likewise his critical remarks about the ethical appeals to society.

The other part of the letter deals with Bakunin, who had paid a visit to Marx, after an interval of sixteen years. Marx speaks of the excellent impression which Bakunin made upon him, and also of some conversation with him concerning the denunciation which David Urquhart had published.

From the same letter it is further evident that Marx had contributed economic articles to Ernest Jones's *Notes to the People* in the years 1851 and 1852.

" *London, November* 4, 1864.

" DEAR FREDERICK,—. . . Some time ago London workmen sent to their Paris friends an address concerning Poland and invited common action in this matter. Whereupon the Parisians sent to London a delegation, headed by M. Tolain, the Labour candidate at the last Paris election, a decent fellow. A public meeting was arranged for September 24, at St. Martin's Hall, by Mr. Odger, a shoemaker, chairman of the Council of All London Trades Unions (also of the Trades Unions Suffrage Agitation Society, which is connected with Mr. Bright), and by Mr. Randall Cremer, mason, secretary of his union. (Those two Labour leaders had arranged the great meeting of the trade unions in favour of the Northern

[1] Marx and Engels, *Briefwechsel*, vol. iii, p. 188.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

States of U.S.A., which was held under the chairmanship of Bright at St. James's Hall, likewise the Garibaldi Demonstration.) A certain Le Lubez, a Frenchman who speaks an excellent English, was sent to me to inquire whether I would take part on behalf of the German workmen, and send a German workman to speak in that meeting. I sent Eccarius[2] who acquitted himself exceedingly well, while I assisted as a dumb figure on the platform. I was aware that this time it was no sham affair, but that on the part of London and Paris Labour there came real 'powers' into play. I therefore made an exception to my rule and did not decline the invitation.

"At the meeting, which was crowded to suffocation, for there is evidently a revival of the working classes taking place, Major Wolff (Thurn-Taxis, the adjutant of Garibaldi) represented the London Italian Working-men's Society. A resolution was carried to establish a Working-men's International Association, the General Council of which should have its headquarters in London and should serve as intermediary between the workmen's societies in Germany, Italy, France, and England. It was resolved also to hold a general Labour congress in Belgium. The meeting appointed a provisional committee; Odger, Cremer, and several others—partly old Chartists, old Owenites, &c.—for England; Major Wolff, Fontana, and other Italians for Italy; Le Lubez, &c., for France; Eccarius and myself for Germany. The committee was empowered to co-opt a certain number of members.

" So far so good. I attended the first meeting of the committee. A sub-committee (myself included) was appointed for the purpose of drafting a declaration of principles and provisional rules. Illness prevented my being present both at the meeting of the sub-committee and the subsequent meeting of the provisional committee. I learned, however, that the following occurred in those two meetings : Major Wolff moved that the rules which he had drafted for the Italian Working-men's Societies should serve as material for the drafting of the rules of our new Association. I saw the stuff later. It was evidently the work of Mazzini, from which you may infer

[2] J. G. Eccarius, a German tailor, who lived in London from about 1850 till his death in 1890. He published a pamphlet in criticism of J. S. Mill's "Political Economy" and was Labour correspondent of *The Times* during the First International.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the spirit and phraseology, in which the real question, the Labour question, was treated. Likewise, how the nationalist business was shoved in. Then Mr. Weston, an old Owenite, now a manufacturer, a very amiable and good fellow, submitted his own programme, an extremely confused document and of unconscionable length.

" The provisional committee, to whom those documents were submitted, instructed the sub-committee to recast the Weston and Wolff papers. Wolff himself left for Naples to attend there the Congress of the Italian Working-men's Societies and to get the latter to join our Association.

" There was again a sub-committee meeting, which I failed to attend, owing to the invitation having reached me too late. Le Lubez submitted a declaration of principles and the remodelled Wolff rules, which were adopted for consideration of the provisional Committee. The latter met on October 18. Eccarius having informed me that there was danger in delay, I attended that meeting and listened with dismay to the reading of the paper which Le Lubez had prepared and which was purported to be a preamble to the declaration of principles. It was a Mazzinian pie, covered with crusts of French socialism. The rules of Wolff were likewise adopted, which, apart from all other defects, were quite impossible, since they presupposed a sort of central government (of course, with Mazzini in the background) of the European working classes. I mildly opposed, and after a discursive debate Eccarius moved that the sub-committee should again recast the rules. On the other hand, the " sentiments " of Le Lubez were adopted.

" Two days later, on October 20, Cremer, Fontana, and Le Lubez came to my house concerning the recasting of the rules. As I had not had the papers of Le Lubez and Wolff in my hands before, I could not prepare anything, but I was determined from the outset to consign the whole stuff to the waste-paper basket. In order to gain time I proposed to discuss first the rules. We settled down to a discussion, and it was 1 o'clock a.m. when we got through the first of the forty rules. Cremer then proposed that the meeting of the provisional committee which had to take place on October 25 should be postponed to November 1, when he hoped we should be prepared to put something definite before the meeting. All the papers were left to me, which I then put aside, and I wrote

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

'An Address to the Working Classes,'[3] a sort of review of the adventures of the working classes since 1845. Instead of the forty rules I put ten. As far as foreign affairs are touched upon I speak of countries and not of nationalities, and I denounce Russia and not the smaller fry. The sub-committee approved my draft, but I was obliged to put into the preamble of the rules two phrases about 'duty' and 'right,' likewise about 'truth, morality, justice,' which, however, are so placed that they can do no harm.

"The provisional (now general) committee adopted my drafts unanimously and with great enthusiasm. Le Lubez was instructed to translate the 'Address' into French and Fontana into Italian. Potter's *Beehive* is meanwhile our official organ. I have to translate the 'Address' into German.

"It was very difficult to write the thing in such a manner that our views should be published in a form which would be acceptable to the present point of view of the Labour movement. The same people, on whose behalf I wrote the 'Address,' will in a few weeks hold meetings under the auspices of Cobden and Bright. It needs time before the revived movement will permit of the old boldness of speech. It was therefore necessary to be *fortiter in re, suaviter in modo*.[4] As soon as the stuff is printed, you will get it." . . .

XI

MARX'S INTRODUCTORY REMARKS TO HIS ECONOMICS

It has been shrewdly remarked that the pleasure which one takes in reading Ricardo is the best indication of one's general progress in economics. A similar remark may be applied to the subjoined notes which Marx, in August, 1862, jotted down in a letter to his friend Engels, concerning some of the main features of his economic work. Those who take an intelligent interest in these notes of Marx may be said to have an advanced knowledge of Marxist economics. We have here the first attempt to present his theory of surplus value, profit, average rate of profit, rent. While translating them I have somewhat re-arranged and put in a closer logical order the sentences and conclusions of Marx, but in meaning and terms they are not altered.

In the same letter Marx speaks of the chronic crisis of his own financial

[3] Since then known as the "Inaugural Address."

[4] Uncompromising as to principle, conciliatory as to form.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

condition, owing to the outbreak of the Civil War in U.S.A., which put an end to his work on the *New York Tribune*, and says : " It is a real wonder that under these conditions I can still continue working on my economic theories." He then presents his friend with the following summary of his theoretical problems about average rate of profit and rent."[5]

" You know that I divide capital into two parts: (1) into constant capital (raw materials, machinery, buildings), and (2) into variable capital, or that part of capital which is spent on wages. Constant capital reappears in the value of the product. Variable capital contains less materialised value than the workman gives in labour back for it. Let us denote constant capital by the letter *c*, and variable capital by the letter *v*.

" Suppose that the necessary labour (that is that part of the daily labour which is necessary for the reproduction of the wage) amounts to eight hours, and that the labourer works twelve hours, then he replaces the variable capital plus one-half of it. This 50 per cent. of excess labour I call surplus value.

" You know further that I lay much stress on what I call the organic composition of capital, that is on the proportion of constant and variable capital, employed in the various trades. This ratio varies in the various trades. In highly developed textile industry, for instance, the ratio between constant and variable capital (*c* : *v*) is 80:20, in the tailoring business it is 50:50, in some very highly developed trades it is 90:10, in another trade it is, say, 70:30. We see, then, that the organic composition of capital varies considerably. And as it is only variable capital which produces a surplus value or profit, since profit is nothing but the proportion of surplus value to the total capital advanced, then it theoretically follows that equal capitals but with different organic compositions will produce unequal surplus values and therefore different rates of profit.

" Suppose, as above, that the surplus labour is equal to 50 per cent. If, for instance, £1 value is the product of one working week, then the total wage bill of thirty labourers will be £20 and the value of the produce of their labour £30. That is, the labourer receives two-thirds of a pound and he produces £1 value.

" The amount of surplus value which a capital of £100 produces

[5] Marx and Engels, *Briefwechsel*, vol. iii, pp. 77 *sqq*.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

in different trades will vary according to the ratio in which capital is divided between its constant and variable elements. I denoted above constant capital with the letter *c*, variable capital with the letter *v*. If in the textile trade the organic composition is *c* 80, *v* 20, then the value of the produce is equal to 110 (assuming, as above, 50 per cent. surplus value or surplus labour). The mass of surplus value is equal to 10 per cent., likewise the rate of profit, that is £10 profit on a capital of £100, the total profit is £110. Take now the big tailoring trade, the organic composition is *c* 50, *v* 50, the surplus value 25, the total product £125. Take another trade, where the organic composition is *c* 70, *v* 30, the surplus value 15, the total product £115. Finally, take a trade where the organic composition is *c* 90, *v* 10, the surplus value 5, the total product £105.

" We have here, with the same exploitation of labour, for equal amounts of capital in different trades, very different amounts of surplus value, and hence very different rates of profit.

" However, if we consider the four capital outlays as forming component parts of a single whole, we get an average rate of profit as follows:—

I. *c* 80, *v* 20,	value of the produce	110	..	profit rate equal to	10 per cent.
II. c 50, *v* 50,	„ „ „	125	..	„ „ „	25 per cent.
III. *c* 70, *v* 30,	„ „ „	115	..	„ „ „	15 per cent.
IV. *c* 90, *v* 10,	„ „ „	105	..	„ „ „	5 per cent.
Total capital £400.	Rate of exploitation 50 per cent.			Profit	55 per cent.

" This amounts to an average profit of 13¾ per cent.

" The total capital (£400) considered as being the property of the capitalist class yields an average profit rate of 13¾. And the capitalists are brothers. Competition, transfer of capital, or withdrawal of capital from one trade to the other renders it possible that capital outlays of equal magnitude in different trades, despite their different organic compositions, yield the same average rate of profit. In other words, the capital outlay of any single manufacturing business yields an average profit rate, not according to the surplus value which it produces, but as an integral part of the total capital of the employing class. It is a share capital of a big concern, and its dividend is paid proportionally to its magnitude out of the total mass of surplus value (or unpaid labour), which the whole variable capital of the labouring class produces.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"In order that each of the four capitals given in the illustration, I, II, III, IV, should earn the same average profit, they must each sell their goods for £113. I and IV sell above their value, II and III below their value.

"The price fixed in that manner is equal to the expenses of capital plus the average profit, and it is this price which Adam Smith calls the natural price, cost price, &c. It is the average price to which competition between the different trades (by the transfer and withdrawal of capital) reduces the prices in the different trades. Competition, then, does not reduce the commodities to their values, but to their cost prices, which may be sometimes above, sometimes below, or on par with their values, according to the organic composition of the capitals, as was shown above.

"Ricardo confuses value with cost price. He therefore believes that if absolute rent existed (that is, a rent quite independent of the different degrees of fertility of the soil) then agricultural produce, selling as it does above the cost price (that is, the advanced capital plus the average profit), would likewise permanently stand above its value. Which, of course, would be inconsistent with the law of value. He therefore denies that there is such a thing as absolute rent and assumes only differential rent.

"However, his identification of value of commodities and cost price of commodities is thoroughly wrong, and was traditionally accepted by him from Adam Smith.

"The facts of the matter are these:—

"Assume the average organic composition of all non-agricultural capital to be *c* 80, *v* 20 (at 50 per cent. surplus value), then every £100 will emerge from the productive process with a surplus value or rate of profit of £10. Total £110.

"Assume now that the average organic composition of agricultural capital is *c* 60, *v* 40. Then the product, at the same rate of exploitation (that is 50 per cent.), will be £120, and the profit rate 20 per cent. If the farmer sells his agricultural produce at its value, he sells it for £120, and not for £110, its cost price, for which he would have to sell it if there were competition in land. But here the landlord comes in and takes from the farmer the £10 as absolute rent, or the difference between value and cost price.

"Low organic composition (that is, relatively high variable

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

capital) means really low development of the productivity of labour in any sphere of production. The organic composition of agricultural capital, which is, say, *c* 60, *v* 40, while the composition of industrial capital is *c* 80, *v* 20, shows that agriculture has not attained to that degree of productivity which manufacture has reached. As soon as agricultural capital reaches the composition of *c* 80, *v* 20, absolute rent will cease and there will but remain differential rent, which is but surplus profit, and which of course may also occur in certain manufactures as long as they enjoy special technical, topographical, or any other advantages. I shall deal with differential rent in my book, as I think that Ricardo's assumption of a constant deterioration of agriculture is devoid of all foundation.

"With regard to my definition of cost price as distinguished from value I may remark that apart from the difference between constant and variable capital, which emerges from the immediate process of the production of capital, there is still to be considered the difference between fixed and circulating capital, which emerges from the process of the circulation of capital. But this would complicate matters here. I only desired to give you a rough outline of my views about surplus value, cost price, rent, in criticism of Ricardo. But you will admit that by clearly considering the importance of the organic composition of capital a good many difficulties and problems easily solve themselves."

[*Concluded*]

(*The earlier parts of Max Beer's series of annotated selections from the literary remains of Karl Marx, of which the above is the final instalment, appeared in the July, August, and September issues of the* Labour Monthly (*vol. v, Nos.* 1, 2, *and* 3), *which can be ordered through any newsagent or bookseller, or obtained direct from* the Publisher of the Labour Monthly, 162 Buckingham Palace Road, London, S.W. 1, *for* 8*d. each post free, or* 1*s.* 9*d. for the three numbers together.*)

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The World of Labour

		PAGE
INTERNATIONAL :	The Communist International and the German Situation	237
UNITED STATES :	Anthracite Miners' Strike	240
HUNGARY :	Railway Strike	241

INTERNATIONAL

The Communist International and the German Situation

THE Stresemann Government of the "great coalition"—the "last reserve of the bourgeoisie" it has been called—is negotiating terms of surrender with French imperialism. The working masses of Germany are face to face with the most tremendous danger that has so far beset them—a union of the German bourgeoisie with the forces of Entente imperialism. Such a union would ensure the ruthless exploitation of the German masses on a hitherto unheard-of scale. Germany would become, like Austria, the helpless colony of Entente imperialism.

In this situation the forces of the Second International have relapsed into despair and have done little more than proclaim the inevitability of defeat. They have talked much of the collapse of European civilisation, but they have made no attempt to lead the German masses out of the slough into which the German bourgeoisie has betrayed them.

It is striking to remark the difference between the vague and uncertain utterances of all brands of Socialists on the German situation with the vigorous manifesto of the Communist International and the Red International of Labour Unions, which we reproduce in full herewith:—

To the Workingmen and Workingwomen of all Countries!

Comrades,

The German working class and the entire working population of Germany now stand in the greatest danger. The armies of French Imperialism occupy the Ruhr, the industrial heart of Germany. The French occupation officers forbid the export of coal and iron from the Ruhr into Germany, whereby unemployment in the Ruhr must result. Now they begin to interfere with the supply of money which is necessary to pay the workers in the Ruhr. Ever more shameless becomes the pressure of the bayonets of French Imperialism upon the breasts of the Ruhr proletariat. The Ruhr is now a powder-magazine which any spark may blow into the air. There is the danger of bloody massacre.

In unoccupied Germany economic anarchy is on the increase. The German bourgeoisie will not pay taxes and allows the German Government to satisfy the needs of the State by means of the bank-note press. The mark falls every day; prices rise every day. The position of the proletariat is becoming more and more unbearable.

Despite all the efforts of the Social-Democratic leaders and the Trade Union bureaucracy to quieten the working class with promises of strong action, the German

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

proletariat aroused itself, and by means of a strike-uprising overthrew the capitalist Cuno Government. Its place has been taken by the Stresemann-Hilferding Government, a coalition of the bourgeoisie and the Social-Democrats. They promised to tax the bourgeoisie, they promised to better the position of the working class, but their first act was to dissolve the Central Committee of the Factory Councils, their first act was to threaten the revolutionary proletariat.

Whilst the bourgeois and Social-Democratic Government dissolved the Central Committee which alone was in a position to comprehend the spontaneous movements of the proletariat, to prevent anarchy, to prevent unnecessary conflicts, organised capital began its attack upon the working class. As a protest against the new taxes, it threatens to close the factories. In Berlin the whole tramway system is on the point of being closed down. The workers are to be discharged so that municipal undertakings may be leased to private capitalists. Then the capitalists would make good the deficit by turning half the workers on to the streets, and lowering the wages of the other half. The purpose of all these manœuvres is clear. The working class must be brought to despair, it must be drawn into battle before it has brought its forces into battle array.

Meanwhile the organisation of armed Fascist bands continues. At the given moment they will hurl themselves on the unarmed proletariat.

Comrades, the German proletariat has behind it the revolution of 1918-19, the sad experiences of the rule of "democracy," which was nothing else but a mask for the dictatorship of capitalism. It will certainly not allow itself to be taken by surprise, provoked, or massacred. In ever-increasing numbers the workers stream into the ranks of the Communist Party of Germany, which is growing steadily into a great party of the masses.

The Social-Democrats are receiving retribution for all their traitorous acts, for the unatoned murder of Rosa Luxemburg, Karl Liebknecht, Leo Jogisches, for the slaughter of 20,000 proletarians by the white guards under Noske, for all the services which they have performed for capitalism. A large part of their working-class membership is deserting them, another part demands an end to the traitorous policy of coalition with the capitalist bourgeoisie, and a return to the class politics of the proletariat. The more decisive the struggles of the German proletariat become, just so much more does the Social-Democratic Party crumble. And with it crumbles the strongest support of the German bourgeoisie.

The situation in Germany is approaching a climax: and unless all signs are false, revolution is the goal.

The German proletariat will in these struggles not only be faced by the armed forces of the German bourgeoisie. There is also the menacing danger that, in the moment when the latter attack it, when it finds itself in the decisive struggle with the capitalists, the bourgeoisie of the Entente and their vassals will forget their hostility to the German bourgeoisie and hasten to its aid. There is the danger that France, Poland, and Czecho-Slovakia will attempt to occupy Germany in order to subjugate the working class and to conclude a definite pact with the German bourgeoisie over the bodies of the German proletariat. There is the danger that British Imperialism and the vassals of the Entente will attempt by blockade to prevent the import of foodstuffs into Germany.

Comrades, Workers of the whole World, we appeal to you to hold out your hands to protect the German proletariat. In mass meetings everywhere draw the attention of the international proletariat to the situation in Germany, above all collect money to support strikers, now beaten to the ground, to support the Press and the fighting organisations of the German proletariat. Demonstrate in the streets with the slogans: "*Peace with the German working class! Hands off Workers' Germany! Withdraw the armies of occupation from the Rhineland, the Saar, and the Ruhr!*" Explain to the soldiers of France, Belgium, and Great Britain that they only strengthen their own

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

exploiters when they allow themselves to be used as the executioners of the German proletariat.

To the revolutionary workers and Communists of France, Belgium, Great Britain, Poland, and Czecho-Slovakia falls the historic task of imposing an impassable barrier between their capitalists and the German proletariat. To the workers of countries with a high *valuta* falls the duty of making the greatest efforts for the material support of their comrades in Germany.

Up with the fight for the emancipation of the German proletariat from the yoke of Entente and German capitalism!
Down with capitalist intervention against the German Workers!
Long live international working-class solidarity!
Help the German proletariat!
Long live the German Workers' and Peasants' Government!
Long live the Communist International!

THE EXECUTIVE COMMITTEE OF THE COMMUNIST INTERNATIONAL.
THE EXECUTIVE BUREAU OF THE RED INTERNATIONAL OF LABOUR UNIONS.

On August 25 an open letter was sent to the Second International and the International Federation of Trade Unions (the Amsterdam International) in the following terms:—

The events in Germany confront the international labour movement with a most serious historical task. Twenty million German workers, the flower of the international proletariat, are entering into the struggle against the German capitalists and against the imperialists of the Entente. The approaching struggles will fill the whole political history of the next period. The outcome of these struggles will decide the fate of the international labour movement for many years. All the events of the political history of the next epoch, and in particular the fate of the whole labour movement of the world, will turn upon the outcome of the German crisis which is now developing.

The events in Germany have, in the most obvious manner, an enormous importance outside Germany. In no country can the workers hold aloof from events in Germany. Every worker whose heart beats true for his class must hasten to aid the German proletariat fighting under the red flag. The cause of the German workers is the cause of the workers of the whole world.

We approach you with the proposal to consider in common all practical measures which can, shall, and must be undertaken by all international labour organisations in support of the revolutionary proletariat of Germany. And this support can take many forms.

(1) In Germany Fascism is rearing its head. All international labour organisations must help the German revolutionary workers in repelling Fascism.
(2) The German capitalists are flinging thousands of revolutionary workers upon the streets. These workers are left without a crust of bread. The task of all international labour organisations is to assist these proletarian victims of the class struggle.

To-morrow, perhaps, the French and Polish bourgeoisie will attempt to afford open assistance to the German capitalists in the armed overthrow of the German labour movement. The international labour organisations must be ready to render all these attempts unavailing.

The fight for peace is the chief task of everyone to whom the life and well-being of the workers is dear. The international labour organisations must be on the watch. At your Hague conference you issued the call to fight against war and for the preservation of peace. The danger of war is now, undoubtedly, imminent.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In view of all this we suggest to you to hold along with us a joint international conference which shall be devoted to the following questions:—

(1) Organising of all round support for the German workers by the international proletariat.

(2) Appropriate measures for conducting the struggle for peace.

We propose to call this conference for not later than September 10.

The crisis is developing with such rapidity that every day is precious. We suggest that the place of the conference be Moscow, but we are ready to hold it in any other suitable town.

THE EXECUTIVE COMMITTEE OF THE COMMUNIST INTERNATIONAL.
THE EXECUTIVE BUREAU OF THE RED INTERNATIONAL OF LABOUR UNIONS.

Neither of the Internationals so approached has seen fit to reply.

UNITED STATES OF AMERICA

Anthracite Miners' Strike

ON September 1, 155,000 miners in the anthracite fields struck work. The dispute between the anthracite operators and the United Mine Workers of America is one of long standing. For years the anthracite mine workers have been in an unfavourable position, by comparison with their colleagues in the bituminous (soft coal) fields. The basic wage per day in the bituminous fields, for instance, is $7.50: while in the anthracite fields it ranges from $4.20 to $5.42, sometimes sinking as low as $3.25. The class of work is the same in both fields.

The operators have argued that, since anthracite miners work an average of 271 days a year, as against an average of something under 200 days a year in the bituminous fields, the inequality in *annual* earnings tends to be eliminated. On the other hand, it appears that while (in 1921) anthracite miners earning $1,100 to $1,200 a year worked 272 days, those earning $1,700 to $1,800 a year worked 373 eight-hour days. That is to say, these latter worked seven more days than there are in the year in order to earn as much as $150 a month.

In 1920 the Anthracite Coal Commission awarded the miners a 17.8 per cent. wage increase. But in the same year the soft coal miners, whose wages were already much higher than those in the anthracite field, received a 27 per cent. wage increase. Anthracite miners have consequently felt that they were defrauded of this extra 10 per cent.

A further grievance has been the refusal of the operators to institute the check-off system for the payment of union dues. By this system the company deducts so much from the men's wages, and pays the sum direct to the union treasurer. The system has been in successful operation in the bituminous fields for a quarter of a century. Further, the operators themselves employ the check-off system for a number of purposes: yet on this question of union dues they declare it "illegal."

The miners' demands can be summarised as follows:—

(a) Increase of 20 per cent. in wages of contract miners and $2 a day for day workers.

(b) Adoption of the check-off system.

(c) Coal to be paid for by weight, instead of by the car of varying size and capacity.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

(d) Uniform wage rate to supersede existing numerous local variations.
(e) General eight-hour day, by elimination of twelve- and fourteen-hour shifts.

When the strike began, Governor Pinchot of Pennslyvania was appointed arbitrator. He proposed a 10 per cent. wage increase, the recognition of the union by the operators, but no check-off system. These terms were at first refused by the miners' officials, but further negotiations led, on September 8, to the signing of a two years' agreement on this basis. The eight-hour day was included, and a substitute for the check-off system in a clause which promised the provision of "facilities for the collection of union dues by union officials."

This agreement went to a special miners' convention for ratification on September 17, and work was resumed on September 19.

HUNGARY

Railway Strike

ON the fourth anniversary (August 2) of the establishment of the dictatorship of Admiral Horthy in Hungary, the locomotive drivers and firemen went on strike. Ever-soaring prices were making any wage increase illusory. They accordingly demanded a standard wage equivalent to 50 per cent. of the pre-war rates.

The Hungarian Government immediately took the most violent measures against the strikers. Martial law was declared, strike leaders and many strikers arbitrarily arrested and imprisoned, strike meetings forcibly broken up, union funds confiscated. Blacklegs were enrolled in large numbers and freely provided with arms. The railway workers, in their desperation, took to cutting telephone wires and attacking blackleg-run trains. But individual acts of sabotage were of no avail in face of the organised force of the Government. After lasting for three or four days, the strike completely collapsed. The men returned to work unconditionally: not only were they entirely defeated on the wages question, but they had not even secured any guarantee against victimisation.

It is of supreme interest to observe that this strike was carried out by a "yellow" union, professedly "non-political," and largely led by Fascist and Nationalist elements—the "Awakening Magyars." This union was formed under the direct auspices of the Horthy government when it seized power: the *bona fide* railwaymen's union having been dissolved and declared illegal, and the railwaymen forced to join the "yellow" organisation. The strike has shown that even a government-formed "class-collaboration" union cannot for ever stand aside from the class struggle when its members are forced to revolt through sheer starvation.

That there were political intrigues behind the assumption of the leadership of the strike movement by the Fascisti appears to be generally admitted. It is known that there has recently been a split between the Horthy government party and the extreme nationalists under M. Gömbös, who, with true Fascist demagogy, is prepared to appeal to the working masses for aid in attempting a *putsch*.

The counterpart of the Fascist leadership of the strike may be found in the attitude of the Hungarian Social-Democrats. Their calibre may perhaps

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

be best adjudged by the recent speech of Peyer, one of their Parliamentary leaders. He demanded that the Horthy government take "energetic steps" against Communists, and declared that the present activity of the police in this direction was totally inadequate.

It is therefore not surprising to find that the Social-Democratic leaders were meticulous in dissociating themselves from the railway strike. They publicly condemned the movement, both in Parliament and in the columns of the bourgeois press. The excuse offered for this desertion of the striking railwaymen was the singularly hypocritical one that they were not in a *bona fide* trade union, for it must have been perfectly well known to the Social-Democrats that the Horthy régime has not for one moment tolerated any such organisation.

It is in accord with this formation of a united front with Horthy against the railway strikers that rumours are heard of a secret understanding between the Horthy government and the Social-Democrats. At present, it is true, this understanding is alleged only to apply to certain taxation proposals, which have aroused the opposition of the Fascisti. But the "Great Coalition" in Hungary is clearly a political probability.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

BOOK REVIEWS

LABOUR OVER THE THRESHOLD

How Labour Governs: A Study of Workers' Representation in Australia. By V. Gordon Childe. (Labour Publishing Company. 12s. 6d.)

FOR thirty years a great number of earnest souls in Australia have spent their best energies in building Labour parties. Encouraged by the temporary absence of many conditions which have hampered the development of social democratic movements in old-world countries, they have achieved luminous success. At the outbreak of the war Labour was "in power" in the Commonwealth and in five out of the six States. Sympathisers in Britain still point vaguely and enviously to Australia as a place where Labour rules.

What has all this meant to the Australian workers? How do they stand after these thirty years of striving and success? From books it has been impossible for observers on this side to judge. Mr. Childe's is the first to consider the Australian Labour Movement dispassionately and seriously in relation to the needs and aspirations of Australian workers. In spite of its title, *How Labour Governs* does not directly answer these questions.

An elaborate study of this question, and also of the peculiar aims and ideals of the Labour Parties, is promised in a sequel. In the present book Mr. Childe, making practically full use of his personal knowledge of present-day Labour leaders, and of his exhaustive researches in the files of Labour papers, deals primarily with the effect of parliamentary power on the Labour Movement itself. This plan allows him to throw indirectly a great deal of light on the wider question as well.

His book has two themes: the corruption of a movement which began with definite intentions of emancipating the Australian working class, and has become only a vast machine for capturing parliamentary power—with which, when it has been captured, the Movement has not known what to do; and the failure of the many attempts of those who were "tired of the tortuous methods of the politicians" to save the workers by direct action.

In the latter connection, Mr. Childe traces since about 1907 "the periods of revolt against the supremacy of politicalism occasioned by the shortcomings of that policy, its slowness, and at last its evident bankruptcy."

Hardly one of a long series of great strikes has succeeded. The attempts inspired by I.W.W. propagandists to reorganise the structure of trade unionism collapsed, to be revived again recently only in a very watered and hesitating form. His facts show that—whatever may have been the success from time to time of free-lance and systematically revolutionary unions like the seamen and the miners'—the Australian Movement has become incapable of using large-scale strike action successfully.

The corruption of the parliamentary movement is studied in great detail. Numberless instances and illustrations are given of, amongst others, the following four tendencies:—

(1) The history of Parliamentary Labour Parties is one of consistent

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

insubordination against the movement. Dominating personalities have refused even to abide by caucus decisions. It is safe to say that most leading Australian politicians have acted on the theory that, once they have obtained seats in Parliament, they are the Movement. Nearly every Labour Government has steadily resisted the efforts of conferences to compel them to give effect to the Party platform, especially the Party's industrial demands—preference to unionists, shorter working day, the right to work, &c. Politicians have been able to browbeat their critics by blackmail. They have argued that no one but themselves knows how to win elections, and point to the dangers of a Labour defeat if their freedom is hampered. W. A. Holman, the peculiarly able adventurer who was Premier of New South Wales in 1916, told Conference that he was "the only man who tried to concentrate his mind on how political power is to be obtained." At the 1915 Conference a delegate suggested that "a motion might as well be carried to hand the movement over to Holman to do what he liked with."

(2) A long series of scandals testifies that ordinary common or garden graft, as crude and democratic as the traditional Tammany game, has been an unsavoury characteristic of Australian Labour parties. The corridors of the Houses of Parliament seem at once to affect many of the most earnest Labour leaders. In many cases this graft has been employed not so much to the personal advantage of the deputy as to that of the general electoral chances of the Party.

(3) Dozens of politicians elected by Labour supporters to carry out a Labour programme have soon transferred their welcome services to the anti-Labour Parties. William Morris Hughes and the crowd that with him deserted Labour on the conscription issue are only the most famous of a long series of renegades. One of the first was Joseph Cook, an active young miners' leader in the early 'nineties, who, after twenty years' leadership of whatever anti-Labour Party was in the ascendant, is now a baronet, living an elegant life of peacockry as Australian High Commissioner in London.

Most of the names that loom largest in Mr. Childe's story belong to men who have ended as rats.

(4) Labour Governments have not only neglected to carry their platform into effect; in several cases they have initiated movements directly hostile to the workers. Thus, to please the farmers, a member of the New South Wales Parliamentary Party in 1915 proposed to absolve them from the terms of a Bill requiring decent housing accommodation for shearers and agricultural labourers. In 1913 Labour Premier McGowen called for "volunteers" to man the retorts during a gas strike. It was a Labour Federal Government which passed the merciless War Precautions Act, which was used only against militant workers.

This process of corruption has not ended. In the last two years, with which Mr. Childe does not deal, there have been numerous instances of the same tendencies. The indifference of ex-Premier Dooley to the instructions of the New South Wales Executive required his temporary expulsion from the Party. Revelations of the systematic faking of pre-selection ballots, even by such trusted officials as John Bailey (President of the N.S.W. Section of the Australian Labour Party), led in May to the expulsion of four prominent

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

members of the Parliamentary Party. *Common Cause*, the official organ of the miners, affirms that "only the fringe of the dirt has been shifted so far." Recent renegades to the anti-Labour parties include two of the oldest and most prominent Federal members. The last days of the Dooley Government in New South Wales were marked by free use of the police to crush unemployed demonstrators, and by a campaign led by the Treasurer to reduce the minimum wage of State employees.

Thus this peculiarly favoured, carefully organised, and successful movement has become so demoralised as to be impotent. Mr. Childe's statement of the facts is indisputable. What is the reason ?

Mr. Childe's answer is simple. The proletariat is utterly incapable of governing. It is ridiculous to expect a Labour Movement to have as its aim the alteration of the social structure to put an end to the enslavement of the workers. All attempts become only scrambles to secure benefits for individuals. With an olympian superciliousness Mr. Childe draws a sweeping moral to flatter what would appear to be a private habit of anarchic cynicism.

This is nonsense. The facts do not require any such tired explanation. Mr. Childe himself hits the nail on the head when he says that :—

> for three decades the forces of Labour have been concentrated on the effort to capture the parliamentary machine, and the trade unions have been made subservient to the political Labour Parties.

It is a pity that the promised sequel could not have been made a part of the present book. An enumeration of the "achievements" of Labour Governments and a study of the peculiar aims of the Parties would make clear the reasons for the general disillusionment and for the perpetual squabbles. It is because Labour Governments have steadily been more interested in winning the doubtful votes of small farmers and other non-proletarian classes than in standing boldly in defence of the workers that the movement has become so opportunist as to be bankrupt.

Compulsory arbitration has been available to settle Labour disputes. In a time of rising prices and brisk demand for labour it was ready to register imposing wage increases. With easy conditions on the industrial front, what more could a faithful trade union official do for the workers than help put a Labour Government into power and so, presumably, deprive employers of the power to prevent the inevitable march of the workers to greater and greater security ? The movement, throwing everything over to put politicians into power, has become almost completely absorbed in one little side-track of the workers' struggle.

Naturally, the politicians have considered that they are the movement. It is this one-sided emphasis, this absorption in the game of putting both hands out for votes, that has detached the politicians further and further from the class-struggle. The industrial movement has been regarded as something quite distinct from the parliamentary, something to which the political leaders owe no obligation, something which must be snubbed and muzzled if parliamentary popularity is to be achieved. Thanks to the deification of simple "Labour-in-politics," the movement has been refined away almost out of existence. There is no adequate machinery to use for the class struggle; there is only an electoral apparatus, at the service of people who have generally swallowed whole the

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

opportunist philosophy of the capitalist political parties. In these circumstances, there is no reason to be surprised at the demoralisation of Parliamentary Labour or the failures on the neglected industrial front.

During the last three years there have been several signs that important sections of the movement are awakening to the necessity of putting an end to this concentration on vote-catching. At the end of 1920, the President of the Australian Labour Party admitted that "members of the Federal Executive know that the masses of the working class are not satisfied with the reform programme of the A.L.P." What seemed an entirely revolutionary step was taken; an All-Australian Trades Union Congress was summoned by the A.L.P. Executive to prepare a new objective and platform for the Party. This sudden reconciliation of the hitherto distinct industrial and parliamentary wings resulted in the adoption of a new militantly socialist objective for the parliamentary parties, which even the opposition of a number of the old-gang politicians could not defeat. The 1922 Federal elections, when this new objective was shelved, left Labour in a wretched minority. The 1923 Queensland elections, when the new objective was made the central issue, returned a supposedly ruined Labour Government with a greatly increased majority—a moral that has gone deep. At the same time plans for One Big Union have been revived as part of a scheme for the unification of all Labour forces to prepare an offensive against capitalism. The tendencies are still confused, but after thirty years the Australian Movement is coming, painfully and laboriously, to undo its past, and to start again with the definite intention of thinking of the whole class struggle rather than simply of electoral chances.

It is fashionable to look to Australia for examples. The one plain lesson Australian experience teaches is that detachment and emasculation of the parliamentary struggle results simply in the ruin of the movement.

E. M. H.

HOW THE WORKER LIVES—IN INDIA

Report on an Inquiry into the Wages and Hours of Labour in the Bombay Cotton Mill Industry. By G. Findlay Shirras. (Labour Office, Government of Bombay, 1923. R.3.)

Report on an Inquiry into Working-class Budgets in Bombay. G. Findlay Shirras. (Labour Office, Government of Bombay, 1923. R. 3.14.)

IN no other country but India would Government Labour Reports deserve the special attention that these two have attracted. The reason is not far to seek. On account of its size and population, India now claims to rank sixth among the industrial countries of the world. Yet amid the voluminous statistics and reports turned out by the Government of India there is included next to nothing on the conditions of life of the growing ranks of Indian industrial workers. One thinks, for instance, of the casual evidence of the Indian Industrial Commission, 1916-18. The Bombay Government Labour Office, the first and still the only one of its kind in India, was not formed until as late as April, 1921. With the publication of its *Labour Gazette*,

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

beginning in September, 1921, for the first time a little, though only a very little, detailed information has become available. It has now issued the two reports above, which represent the first fruits of its inquiries into labour conditions in Bombay.

Where accurate data are so scanty, any store of precise and relevant information is likely to receive a ready welcome. But official reports on labour matters can never be accepted without close scrutiny. It is not the more reassuring to be aware that it is an avowed motive behind the Bombay Government investigations to provide the basis for the settlement of labour disputes, now as much a normal phenomenon of Indian industry as in any Western country. It is, accordingly, not surprising that these two reports are no exception to the rule, and can only be regarded as unbiassed from the viewpoint of the ordinary employer of labour. They provide, especially the one dealing with working-class budgets, a mass of interesting data not hitherto available on the conditions and standard of life of Bombay workers; but much of the evidence and general conclusions can only be accepted with reserve, if not condemned as untrustworthy.

Take, for instance, the first inquiry into the wages and hours worked in the mill industry. Its results are not a little vitiated by the fact that they depend purely and solely on voluntary returns made by the employers on forms submitted to them to fill up. Even so, it is interesting to notice that the returns, which relate to rather less than 200,000 workers, indicate an average daily wage, for men, of only twenty annas (about 1s. 8d.). Assuming four weeks of six days worked in the month this would only yield a monthly income of 30 rupees (about £2). Women are, of course, paid much less; the average monthly wage being only half that of men. Even the *average* hours of labour represent a total of sixty hours or over for a working week of six days.

The second inquiry provides some startling evidence of the appalling living conditions necessitated by these incomes. Yet it is very doubtful if the budgets presented (even if accurately compiled) represent more than a small proportion, and that on the whole a relatively better-paid portion, of the total industrial population. Of 2,473 families investigated, only 340 had a monthly income of 40 rupees or below. The average earnings per month for male wage-earners works out in these budgets at over 42 rupees per month. Yet the first report returns the average monthly earnings per head in 1921 for cotton-mill workers throughout the Presidency as 33 rupees (about 44s.) for men and 16 rupees for women. For the 603 single men's budgets compiled, the average income figure is not stated, but it appears as if it would work out at near 45 rupees. As conditions are, factory-workers in Bombay with this income cannot by any means be regarded as belonging to the lowest-paid class. In support of this it may be mentioned that not long ago the Department of Statistics published some figures for January, 1921, of average monthly wages in State establishments and in typical industries. They show clearly that it is by no means uncommon for even skilled workers to receive about 20 rupees (=26s. 8d.) or less per month.

The rapid growth of the Bombay industrial proletariat, the absence of real legal protection for the workers, and the indifference of the millowners, have resulted in conditions which can only be compared with those described

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

by Engels in his account of the state of the working classes in England in 1844. The housing conditions of the Bombay millworkers are notorious, and some appalling details are given in the book. The following are some of the conclusions arrived at :—

> About 97 per cent. of the working-class families live in single-roomed tenements; 70 per cent. of the total tenements in Bombay consist of one room only, and 14 per cent. of two rooms. Two-thirds of the population of Bombay City live in one room as against 6 per cent. in London. There are 3,125 one-roomed tenements containing at least two families, 270 of them housing five or more families in the single room.

It is eloquent of the quality of these dwellings that out of 2,473 cases, the water supply was reckoned good in 234 because there was "at least one tap for eight tenements." In 1,423 cases there was only one tap for between eight to ten tenements, in the remaining 816 cases the single tap served for more than sixteen tenements.

The natural result is shown in the figures of infantile mortality in Bombay. The average number of deaths under one year per 1,000 births during the five years ended 1922 was 572. The figure in 1921 was 666. The corresponding figures in other towns in 1921 were 281 in Madras, 135 in Berlin, 95 in Paris, 80 in London, 71 in New York. The direct connection between overcrowding and the high rate of infantile mortality is shown by the fact that for whole families occupying one room or less the mortality figure reaches the awful figure of 828, decreasing as the number of rooms increases, until for four or more rooms it is as low as 133.

The comfortable assurance of the sentence in the summary is in the typical tone of official optimism. It says, "the question of housing leaves much to be desired, but is receiving the closest attention by Government and local authorities."

In view of the size of the incomes mentioned, it is not surprising that the investigators discover that "the standard of living and comfort is not a high one." On the average, not less than 56·8 per cent. of the income is spent on food. The expenditure on education is little or nil. The following conclusions drawn in the report testify to the conditions of nourishment dictated by these incomes:—

> The quantity of cereals consumed by the industrial workers in Bombay compares favourably with the minimum prescribed by the Bombay Famine Code. *It falls, however, below the scale prescribed for jails.*

Even though the ordinary worker has a somewhat greater variety in his food, the figures are sufficiently compelling for even the British liberal-capitalist organ, the *Times of India*, to admit that:—

> It is indeed established that the average Bombay worker is less well-fed than a convict in jail, and can afford to consume only a little more than a man in receipt of relief under the Bombay Famine Code.

Jail prisoners and famine victims are not usually taken as standards of healthy nourishment. The results in the case of the Bombay factory workers might have been even more startling if the standard of comparison had been army rations or some such scale of diet.

At the same time, the report is very careful to please its patrons by its

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

insistence that the remedy is not to be found in increased wages. Increased wages, it points out, as often as not lead to increased consumption of liquor and increased absenteeism. Thus the conclusion is reached, "in short, extra wages are sometimes spent on what tends not to increase efficiency but to decrease efficiency. Spending wisely may be regarded as the whole crux of the labour problem."

It is stated at the outset that the inquiry "was set on foot at the instance of his Excellency the Governor in consequence, mainly, of the difficulty of ascertaining the true facts of the cost of living." But, as a matter of fact, the information that is given under this head, and the tables and graphs that are compiled, can only be regarded with serious misgivings.

In the first place the budgets are not representative of more than a small proportion of the workers, and there is reason to suspect that budgets of workers earning relatively high wages preponderate amongst them.

In the second place the manner of compiling the budgets is inevitably open to serious defects. With a population so largely illiterate as that of Indian workers, it will be very rare indeed for written accounts to be kept by any of the workers concerned. For information, therefore, casual inquiry has to be relied upon.

Further, only five heads of expenditure are considered, viz., food, fuel, clothing, rent, and miscellaneous, the last amounting on the average to over 18 per cent. and including such items as drink, amusement, interest on debts, &c. But occasional expenditure, as on marriages, funerals, and festivals, is not taken into account, although it is a recurrent item in the lives of the workers. It may be mentioned here that no less than 47 per cent. of the families investigated were in debt (chiefly owing to the extra expenditure involved on marriages, &c.), and "the usual rate of interest is 75 per cent. per annum, and in a few cases 150 per cent."

Another very important reason why the official figures of the cost of living index bear no relation to the actual expenses of the workers is that the prices used in the compilation of the cost of living index are those paid on a *cash* basis. Of the total families investigated, however, only 33·8 per cent. made their purchases on a cash basis, the rest made their purchases partly or entirely on credit (entirely so in the case of nearly 40 per cent. of the workers). The prices they actually pay for commodities are accordingly greater than those used in the compilation of the cost of living index.

A further very significant feature which does not receive the emphasis it requires is the use of the average family budget deduced from this inquiry for the purpose of determining the increase in the cost of living since July, 1914. The method gives not the present cost of the pre-war standard of living but the pre-war cost of the present standard; it assumes that the pre-war standard was exactly the same and certainly no better than the present. Since the rise in prices and the lagging behind of wage-increases during the 1914-21 period have generally involved a substitution by the workers of cheaper articles for more expensive ones, the method adopted gives a figure for the increase in the cost of living which makes out that it has risen less than is actually the case, or as would be shown if the pre-war standard were taken as the basis.

For all these reasons, then, the calculating of the rise in the cost

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of living is open to grave suspicion. Most of the factors mentioned, especially the use of cash, if not wholesale, prices and of the 1921 standard as a pre-war one, tend to lower the cost-of-living index. It is, therefore, remarkable to find that the curve of the cost-of-living index during 1921 and 1921, based on these budgets, shows actually higher figures than the official index as published monthly in the *Bombay Labour Gazette*. It can only be concluded that the official index must seriously under-estimate the rise in the cost of living. Is it to be wondered at that Mr. J. Baptista, the President of the All-Indian Trade Union Congress, has given his written opinion that the official index "merely mocks the hard-worked and ill-paid labourer"? Whether the worker himself would corroborate this view we cannot tell, for he is as yet too inarticulate to say. But it would not be surprising if all these Government inquiries into his condition, however accurate their data, seemed to him little better than a mockery.

C. P. D.

PUBLICATIONS RECEIVED

The New Japan. By James H. Cousins, D. Lit., Keio University. (Ganesh & Co., Madras. 6s.)

The Way Out. Essays on the Meaning and Purpose of Adult Education by Viscount Haldane of Cloan, A. E. Zimmern, Harold J. Laski, Lord Eustace Percy, Albert Mansbridge, Hon. W. N. Bruce, Sir William McCormick, Sir Frank Heath, Elizabeth S. Haldane, and T. H. Searls. Edited by Hon. Oliver Stanley, with an Introduction by Viscount Grey of Fallodon. (Humphrey Milford, Oxford University Press. 4s. 6d.)

What to Read. A Guide for Worker Students. (Plebs. 7d.)

Hell. A Verse Drama and Photo Play. By Upton Sinclair. (Published by the Author, Pasadena, California, U.S.A. 25 cents.)

The Parlor Provocateur or From Salon to Soap-Box. The Letters of Kate Crane Gartz. With an Introduction by Mary Craig Sinclair. (Published by Mary Craig Sinclair, Pasadena, California, U.S.A.)

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE LABOUR PUBLISHING COMPANY LTD.

38 Great Ormond Street, London, W.C. 1

NEW AND FORTHCOMING BOOKS

TOM MANN'S MEMOIRS

Popular Edition. Stiffened paper. Portrait on Cover. 3*s.* 6*d.*

Large Paper Library Edition. 16 Half-tone Illustrations. Every copy autographed. 12*s.* 6*d.*

READY END OF OCTOBER. ORDER NOW

FASCISM — By Odon Por — 7*s.* 6*d.*

"Of singular and immediate interest."—*Spectator.*

"A book for which we have been waiting."—*Challenge.*

"Unquestionably the ablest, most informative, and, within its compass, the most comprehensive book on Fascism."—*Glasgow Herald.*

"Just the economic and political creed which might turn Europe into a place of sanity again."—*Outlook.*

"Indispensable to all who are interested in international politics, the evolution of civilisation, or, more narrowly, the future of labour movements.—*Scottish Nation.*

THE SOVIET CONSTITUTION

Edited by Andrew Rothstein

Library Edition, 5*s.* Popular Edition, 2*s.* 6*d.*

"For any student of the law and politics of Russia this record is essential."—*Daily News.*

"Gives us in a handy form what was badly needed."—*New Statesman.*

HOW LABOUR GOVERNS — By V. G. Childe

12*s.* 6*d.*

"A text-book of real importance for all serious students of modern political organisation."—*Spectator.*

"No other book about Australian politics gives so intimate a picture or so clear an understanding."—*New Statesman.*

"A valuable, candid, bewildering, and depressing volume."—Ramsay Muir in the *Westminster Gazette.*

THE FEDERATION OF BRITISH INDUSTRIES

Cloth, 2*s.* 6*d.* Paper, 1*s.*

A study of the "Brain Centre of British Capitalism."

Apply for full lists

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TO EDITORS

PUTTING YOUR PAPER TO BED is a task which will be all the lighter if you are certain of the co-operation of your printer. Comfortable editorial accommodation, telephone facilities, careful reading, reliable craftsmanship, despatch to schedule, are our contribution to the journals we print. We are able to consider the production of one or two more weekly and monthly papers. Our plant and experience are

ALWAYS AT YOUR SERVICE

In your first communication to us please mention "The Labour Monthly."

LONDON

Caledonian Press Ltd.

TRADE UNION IN ALL DEPARTMENTS

W. FRANCIS MOSS, *Managing Director*

74 Swinton Street, Gray's Inn Road
London, W.C. 1

Telegrams : Edcalopres, Kincros, London
Telephone : Museum 1311
Museum 7777

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Published by the Trinity Trust . . .
162 *Buckingham*
Palace Road
S.W. 1

and Printed by the London Caledonian Press Ltd.
74 Swinton Street, Gray's Inn Road
W.C. 1

W5747

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED